

FSA
HANDBOOK

Sugar Loans

For Sugar State and County Offices

SHORT REFERENCE

10-SU
(Revision 3)

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Service Agency
P.O. Box 2415
Washington, DC 20013-2415

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Sugar Loans
10-SU (Revision 3)**

Amendment 15

Approved by: Acting Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Paragraph 2 has been amended to:

- clarify the loan maturity dates
- add references for beneficial interest
- provide references for using CCC-601, CCC-677, and CCC-678
- provide provisions for processed and in-process sugar loans.

Paragraph 38 has been amended to add converting in-process sugar to KC-227 or KC-227-A requirements.

Paragraph 41 has been amended to add the revised KC-227 and KC-227-A and instructions.

Paragraph 46 has been amended to update loan types and loan rates for in-process sugar.

Paragraph 49 has been amended to require that UCC-1's be filed before lien searches are completed.

Part 4, Section 1 has been amended to remove conservation from loanmaking requirements.

Paragraph 74 has been amended to no longer require County Offices to make pre-loan inspections for sugar that is represented by KC-227.

Paragraph 75 has been amended to provide an updated SU-2.

Paragraph 86 has been amended to inform State and County Offices that DACO will spot check all outstanding processed or in-process sugar loans.

Paragraph 97 has been amended to instruct County Offices to contact DACO if sugar under loan is deteriorating.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 124 C has been amended to update instructions for using automated program codes.

Subparagraph 129 A has been amended to instruct County Offices to leave the “class” entry blank when entering processed sugar loans in the automated system.

Subparagraph 134 D has been added to provide instructions for releasing CCC-677 and CCC-678.

Paragraphs 156 and 167 have been removed because they are no longer applicable to warehouse-stored loans.

Paragraph 194 has been amended to provide updated instructions for processing loan forfeitures.

Paragraphs 205 and 206 have been amended to update instructions for processing loan settlements in APSS.

Exhibit 4 has been added to provide an example of CCC-677A.

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8	Bulk Raw Cane Sugar Polarity Premium and Discount Schedule

Part 1 General Policy and APSS Procedures

Section 1 General Provisions

1 Handbook Provisions

A

Handbook Purpose

This handbook provides instructions for administering the Sugar Loan Program.

B

Authority and Responsibility

PSD has the authority for administering the Sugar Loan Program.

C

Sources of Authority

Authority for the Sugar Loan Program is mandated by:

- *--the Farm Security and Rural Investment Act of 2002--*
 - 7 CFR Part 1435.
-

Continued on the next page

1 Handbook Provisions (Continued)

D

Responsibilities

This table lists the responsibilities for the Sugar Loan Program.

Responsible Office	Responsible Group	Responsibility
National Office	<ul style="list-style-type: none"> • CCC Board • Executive Vice President • Designee 	<ul style="list-style-type: none"> • Making a determination on any question arising under the Sugar Loan Program • Revising or rescinding any incorrect COC, STC, or *--KCAO determination--*
	PSD	Administering the Sugar Loan Program under DAFP supervision and direction
State Office	STC	Determining State policy according to this handbook
	STC through SED	Administering all phases of the Sugar Loan Program in the State Note: STC may correct or require COC to correct or withhold any action taken that is not consistent with this handbook.
County Office	COC	<ul style="list-style-type: none"> • Determining policy according to this handbook • Providing publicity necessary to inform all producers and processors of the Sugar Loan Program provisions before the beginning of each program year
	COC through CED	Administering the Sugar Loan Program in the county
	Loanmaking County Office employees	Determining whether: <ul style="list-style-type: none"> • processor is eligible for loan • sugar is eligible for loan • processors are being provided with updated lists of eligible producers • computations and disbursements are based on handbook procedures

Continued on the next page

1 Handbook Provisions (Continued)

D
Responsibilities
(Continued)

Responsible Office	Responsible Group	Responsibility
KCCO		<ul style="list-style-type: none"> • Approving and terminating storage agreements, including: <ul style="list-style-type: none"> • enforcing provisions of the agreement • paying charges and settling claims under the agreements • providing lists of approved warehouses to State and County Offices • Issuing loading orders and shipping instructions • Maintaining custody of warehouse receipts and other documents representing sugar CCC owns • Establishing market prices as required
--KCAO--		<ul style="list-style-type: none"> • Verifying computations and entries on documents • Preparing or verifying settlement documents • Providing reports of loan activity and distribution • Maintaining all required accounts showing loan activity • Providing assistance in preparing computer loan data entries

Continued on the next page

1 Handbook Provisions (Continued)

E

Related Handbooks

FSA handbooks related to the Sugar Loan Program include the following:

- 1-APP for appeals
- 1-CM for common management and operating provisions
- 2-CM for common farm program provisions and farm reconstitutions
- 6-CP for HELC and WC provisions
- 7-CP for misaction and misinformation
- 1-FI for CCC-184's
- 3-FI for State and County Office receipts and deposits
- 50-FI for interest rates
- 58-FI for claims administration
- 62-FI for reporting to IRS
- *--8-LP for loans and LDP's--*

* * *

- 12-PS for automation instructions on spot checking and other common functions.
-

2 Basic Loanmaking Provisions

A

General Loan Availability

Price support is available to eligible processors in:

- the United States
 - Puerto Rico.
-

B

*--Processed Sugar Loans

Processed sugar loans are warehouse-stored nonrecourse loans for which eligible sugar offered as loan collateral may be forfeited to CCC, at loan maturity, in satisfaction of the loan indebtedness.

C

In-Process Sugar Loans

In-process loans are farm-stored nonrecourse loans made available to--* processors of a crop of domestically grown sugarcane or sugar beets for in-process sugars derived from the crop. The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar. In-process loans mature on the last day of the 9th month after the month the loan was disbursed.

D

Loan Availability Dates

Initial loans are available **October 1** through **September 30**.

Processors receiving loans in July, August, or September may repledge the sugar as collateral for a supplemental loan. Such supplemental loans shall:

- be requested during the following October
- be nonrecourse
- be made at the loan rate in effect at the time the supplemental loan is made
- mature in 9 months minus the number of whole months that the initial loan was in effect.

Note: No loans will be made after June 30, 2008.

Continued on the next page

2 Basic Loanmaking Provisions (Continued)

E

Loan Maturity Dates

Initial loans mature on the last day of the **9th month** after the month in which the loan was disbursed; however, this date shall be no later than **September 30**.

***--Note:** If the last day of the 9th month or September 30 is on a nonworkday, the loan maturity date shall be the next business day.--*

Supplemental loans mature in 9 months minus the number of whole months that the initial loan was in effect.

F

Examples of Loan Maturity Dates

These are examples of **initial** loan maturity dates.

Disbursement Date	Maturity Date
October 16, 2002	July 31, 2003
November 8, 2002	August 31, 2003
December 1, 2002, through June 30, 2003	September 30, 2003

These are examples of **supplemental** loan maturity dates.

Initial Disbursement Date	Maturity Date
July 10, 2003	April 30, 2004
August 15, 2003	May 31, 2004
September 5, 2003	June 30, 2004

*--G

Beneficial Interest

See 8-LP, paragraph 128 for beneficial interest procedures.

H

Forms

Use CCC-678 for warehouse-stored sugar loans and CCC-677 for farm-stored in-process loans.

CCC-601 applies according to 8-LP.

CCC-677A is the sugar addendum and is applicable to all sugar loans.--*

3 (Withdrawn--Amend. 9)

4 Sodbuster and Swampbuster Provisions

A

Compliance and Filing

To be eligible for program benefits, sugar must have been processed from beets or cane delivered by a producer, owner, or operator who complies with HELC and WC provisions in 6-CP and files:

- AD-1026 according to 6-CP
- FSA-578, annually, before the final acreage reporting date established for the county.

Persons shall not be eligible for program benefits during the crop year in which the producer does not comply with HELC and WC provisions, except if a graduated payment reduction is approved for the producer according to 6-CP.

Note: See Part 4, Section 1 for County Office procedures in determining compliance.

B

Late-Filed FSA-578 and AD-1026

Approved late-filed FSA-578's and AD-1026's may be accepted by the applicable County Office from a producer, owner, or operator of sugar beets or sugarcane. However, when a producer delivers sugar beets or sugarcane to a processor for processing, but does not file FSA-578 or AD-1026 before producer noncompliance notification to a processor, according to subparagraph 63 A, the producer's minimum payment levels cannot be guaranteed.

Note: The processor also continues to be ineligible for loan on that portion of sugar from producers whose sugar beets or sugarcane was determined ineligible for loan at the time of producer noncompliance notification.

5 Lobbying Provisions

A

Applicability

Lobbying disclosure requirements apply to applicants for and recipients of loan proceeds exceeding \$150,000.

B

Forms

Applicants must file the form specified in this table for **each** loan exceeding \$150,000.

IF monies received...	THEN file...
have not or will not be used to lobby or otherwise influence the actions of a Federal official regarding a particular loan	CCC-674.
have or will be used to lobby or otherwise influence the actions of a Federal official regarding a particular loan	SF-LLL. Note: File SF-LLL-A if applicable.

Continued on the next page

5 Lobbying Provisions (Continued)

C

County Office Action

County Offices shall follow the procedures in this table each time a loan exceeding \$150,000 is requested.

Step	Action
1	Provide the applicant a copy of CCC-674, SF-LLL, and SF-LLL-A with instructions to complete, and return the applicable form to the County Office.
2	Disburse the loan after the applicant returns the completed lobbying disclosure form to the County Office.
3	<p>* * *</p> <p>File the original in the County Office.</p> <p>* * *</p>

D

Assistance

For situations not covered in this paragraph, County Offices shall contact PSD for additional assistance.

6, 7 (Withdrawn--Amend. 9)

8-17 (Reserved)

Section 2 (Withdrawn--Amend. 10)

18-22 (Withdrawn--Amend. 10)

23-32 (Reserved)

Part 2 Eligibility Requirements

33 Processor Eligibility

A

Basic Requirements

Determine processor eligibility according to this table.

IF processor...	THEN...
--stores eligible sugar in CCC-approved warehouse--	the processor is eligible for loan.
owns, or jointly owns with eligible producers, eligible sugar offered as collateral for loan	
agrees to pay all eligible producers at least the minimum *--payment levels specified for sugar beets according to the producer's marketing agreement and sugarcane for--* the region when nonrecourse loans are in effect	

34 Eligible Sugar

A

Basic Eligibility Requirements

Use this table to be eligible for loan.

Sugar	Requirements
<ul style="list-style-type: none"> • Refined beet sugar • Raw cane sugar • Refined cane sugar • Sugarcane syrup • Edible molasses • *--In-process--* 	<ul style="list-style-type: none"> • Has been processed from sugar beets or sugarcane grown by eligible producers in the United States and Puerto Rico. • Is free of contamination and chemicals or other substances that are poisonous to humans or animals. <p>Note: Refined or specialty sugars that meet these requirements are eligible for loan only if they are made by either of the following:</p> <ul style="list-style-type: none"> • a cane refining facility that is cooperatively owned by its raw cane sugar processors • a sugarcane processor who is also a refiner.

35 Storage Requirements

A

Eligible Storage Space

*--All eligible sugar loans must:

- be stored in a CCC-approved warehouse to ensure the quantity and quality of CCC loan collateral
 - meet all other eligibility requirements.
-

B

Commingling

A processor's eligible sugar must be stored bulk and commingled, unless CCC and the warehouse operator agrees in writing, to store the sugar in another method.--*

Note: Joint loans are **not** permitted.

C

Poisonous Substances and Contamination

A processor shall be personally liable for any damages resulting from tendering to CCC sugar containing any of the following:

- mercurial compounds
 - toxin-producing molds
 - contamination in food commodities
 - other substances poisonous to humans or animals.
-

36, 37 (Reserved)

38 Requesting Warehouse-Stored Loans

A Warehouse Documents	*--When requesting sugar loans or converting in-process sugar, the processor--* shall present acceptable warehouse documents, KC-227 or KC-227-A, from CCC-approved warehouses to the County Office.
B Warehouse- Stored Quantity	Warehouse-stored loans stored in CCC-approved warehouse will be limited to 100 percent of the total net pounds specified on KC-227 or KC-227-A.
C Substitution Not Authorized	Substituted or purchased commodities are ineligible for loan.
D Loan Rates	*--Use the loan rate for the State where the sugar is stored.--*
E Storage Charges	The processor is responsible for storage cost through the loan maturity date or title transfer to CCC, whichever occurs later.

39 Quality Determinations

A

Basis for Quality Determinations

The sugar processor must provide quality factors on KC-227 or KC-227-A at:

- loan application
 - *--the time the in-process sugar is converted at forfeiture.--*
-

B

Premiums and Discounts

Premiums and discounts will be applicable to the quality factor identified on KC-227 or KC-227-A at forfeiture.

40 List of Approved Warehouses and List of Warehouse Offer Rates

A

Approved Warehouses and Offer Rates

A current list of UGRSA-approved warehouses and warehouse codes will be *--available at <http://www.fsa.usda.gov/daco/sugar/aprvdlist.htm>.--*

KCCO will provide County Offices with current lists and subsequent updates of UGRSA-approved warehouse offer rates.

When changes occur with UGRSA-approved warehouses, KCCO shall provide the State Office with a courtesy copy of the letter sent to the warehouse.

B

Approved Rates

Approved warehouse offer rates shall be:

- posted in a prominent place in the County Office for public review
 - distributed to surrounding County Offices
 - updated in the APSS offer shipping rate table according to 12-PS.
-

***--41 General Warehouse Document Requirements**

A

General Requirements

The processor must submit KC-227 or KC-227-A that meets the following guidelines.

All KC-227's or KC-227-A's shall:

- represent eligible sugar actually stored in the CCC-approved warehouse
- be issued to the eligible processor or CCC, as applicable, or in the case of loans made to CMA's, the document should be issued to CMA
- show ownership, if sugar is owned by the processor solely, jointly, or in common with others.

KC-227 shall be used for raw sugar.

KC-227-A shall be used for refined beet sugar.

All KC-227's or KC-227-A's shall include **all** of the following:

- type of sugar
- name and location of storing warehouse
- CCC-assigned warehouse code
- date issued
- * * *
- whether sugar was received by rail, truck, or barge
- signature of the warehouse operator or authorized agent
- total net weight commercial.

Zeros shall be entered when in or out charges have **not** been prepaid.

--KC-227 or KC-227-A must be submitted for all in-process sugar converted, as applicable.--

B

Additional Requirements

KC-227's will also include the following:

- total net pounds
- polarity
- ash
- color
- * * *
- grain size
- percent moisture.

KC-227-A's will include applicable quality factors.

41 General Warehouse Document Requirements (Continued)

*--C

Instructions for Completing KC-227 County Offices shall complete KC-227, items 1 and 2 when the loan is approved.

Warehouse operators shall complete KC-227, items 3 through 11.

Item	Action
1	Enter the loan application date.
2	Enter the loan number.
3	Enter the warehouse name, street address, city, State, and ZIP code.
4	Enter the warehouse code assigned by KCCO.
5	“Raw Cane Sugar” is preprinted in this item.
6	Check the applicable box indicating sugar cane received by truck, rail, barge, cart or in-store.
7	Enter the crop year the sugar cane was grown.
8	Enter the control number assigned by the warehouse operator. Note: The warehouse operator should use a numbering system to consecutively assign control numbers for tracking purposes. For example, the first KC-227 may be assigned Control No. 1, the second KC-227 Control No.2, etc. Do not use alpha characters as part of the numbering system.
9	Enter the date KC-227 is issued.
10 A through F	For the quality of raw cane sugar represented by this KC-227, enter the following: <ul style="list-style-type: none"> • total net pounds • polarization • ash content • color • grain size • percent moisture.
11 A and B	Enter the: <ul style="list-style-type: none"> • signature of an authorized individual, i.e., corporate officer, partner, or proprietor • date KC-227 is signed.

--*

Continued on the next page

41 General Warehouse Document Requirements (Continued)

D
Example of
KC-227

*--The following is an example of KC-227 received from a processor.

KC-227 (02-06-04)		U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency RAW SUGAR CERTIFICATION REPORT				FOR CCC USE ONLY	
3. NAME AND LOCATION OF RECEIVING WAREHOUSE XYZ Sugar Corporation Orlando, FL						1. LOAN APPLICATION DATE	
						2. LOAN NUMBER	
4. WAREHOUSE CODE 7-1071	5. COMMODITY RAW CANE SUGAR	6. RECEIVED BY <input type="checkbox"/> TRUCK <input checked="" type="checkbox"/> RAIL <input type="checkbox"/> BARGE <input type="checkbox"/> CART <input type="checkbox"/> IN STORE		7. CROP YEAR 2003	8. CONTROL NUMBER 1		
				9. DATE ISSUED 02/24/2004			
10. QUANTITY AND QUALITY	A. TOTAL NET POUNDS 10,000,000	B. POLARIZATION 98	C. ASH .22	D. COLOR 4000	E. GRAIN SIZE 48	F. % MOISTURE .28	
11. CERTIFICATION AND SIGNATURE							
I certify that the raw sugar described on this report is raw sugar:							
<ul style="list-style-type: none"> in which title is vested in CCC, or placed in storage by someone other than CCC and pledged to CCC as security for a CCC loan, and which will be safely stored so that raw sugar equivalent to the quantity and quality stated in Item 10 of this KC-227 may be delivered, upon demand, to the owner of such raw sugar, CCC, or to another person (transferee). 							
This form must be signed by an authorized individual; i.e., corporate officer, partner or proprietor. A manager cannot sign unless authorized by a Resolution of the Board of Directors or Power of Attorney furnished by a partner or proprietor.							
A. WAREHOUSE OPERATOR'S SIGNATURE						B. DATE	
<p align="center">PRIVACY ACT AND PUBLIC BURDEN STATEMENTS</p> <p>The following statements are made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a) and the Paperwork Reduction Act of 1995, as amended. Authority for the use of this form is under 7 CFR Part 1423 and the respective CCC Storage Agreement. The information will be used to certify the accuracy of the invoice. Furnishing the requested information is mandatory. Failure to furnish the requested information will result in nonpayment of the invoice. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 1001; 15 USC 3729, may be applicable to the information provided.</p> <p>The authority for collecting the following information is Public Law 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.</p> <p align="center">NONDISCRIMINATION STATEMENT</p> <p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).</p> <p>To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.</p>							

--*

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41 General Warehouse Document Requirements (Continued)

*--E

**Instructions for
Completing
KC-227-A**

County Offices shall complete KC-227-A, items 1 and 2.

Warehouse operators shall complete KC-227-A, items 3 through 13.

Item	Action
1	Enter the loan application date.
2	Enter the FSA County Office or Service Center assigned loan number.
3	Enter the warehouse name, street address, city, State, and ZIP code.
4	Enter the warehouse code assigned by KCCO.
5	Check applicable box indicating if commodity is raw cane or beet sugar.
6	Check applicable box indicating if sugar was received by truck, rail, barge, or in-store.
7	Enter the crop year the sugar was grown.
8	Enter the control number assigned by the warehouse operator. Note: The warehouse operator should use a numbering system to consecutively assign control numbers for tracking purposes. For example, the first KC-227-A may be assigned Control No. 1, the second KC-227-A Control No.2, etc. Do not use alpha characters as part of the numbering system.
9	Enter the date KC-227-A is issued.
10 A through D	For the quantity of sugar represented by this KC-227-A, enter the following: <ul style="list-style-type: none"> • total net pounds • gross weight in pounds • number of units, if bagged • number of units damaged, short, or over.
11	Quality: Refined sugar must be dry and free flowing, free of excessive sediment, and free of any objectionable color, flavor, odor, or other characteristic which would impair its merchantability or which would impair or prevent its use for normal commercial purposes.
12 A and B	Enter the following: <ul style="list-style-type: none"> • signature of an authorized individual, i.e., corporate officer, partner, or proprietor • date KC-227-A is signed.

--*

Continued on the next page

41 General Warehouse Document Requirements (Continued)

F
Example of
KC-227-A

*--The following is an example of KC-227-A received from a processor.

KC-227-A (02-06-04)		U.S. DEPARTMENT OF AGRICULTURE Farm Service Agency			FOR CCC USE ONLY		
REFINED SUGAR CERTIFICATION REPORT							
3. NAME AND LOCATION OF RECEIVING WAREHOUSE ABC Sugar Company Los Angeles, CA					1. LOAN APPLICATION DATE		
					2. LOAN NUMBER		
4. WAREHOUSE CODE 7-1000	5. COMMODITY <input type="checkbox"/> CANE <input checked="" type="checkbox"/> BEET	6. RECEIVED BY <input checked="" type="checkbox"/> TRUCK <input type="checkbox"/> RAIL <input type="checkbox"/> BARGE <input type="checkbox"/> IN STORE	7. CROP YEAR 2003	8. CONTROL NUMBER 1			
			9. DATE ISSUED 02/24/2004				
10. QUANTITY	A. TOTAL NET POUNDS 10,000,000	B. GROSS WEIGHT 10,200,000	C. NUMBER OF UNITS 10,000	D. NUMBER OF UNITS			
				DAMAGED	SHORT	OVER	
11. QUALITY	Refined sugar must be dry and free flowing; free of excessive sediment; and free of any objectionable color, flavor, odor, or other characteristic which would impair its merchantability or which would impair or prevent its use for normal commercial purposes.						
12. CERTIFICATION AND SIGNATURE							
I certify that the refined sugar described on this report is refined sugar:							
<ul style="list-style-type: none"> in which title is vested in CCC, or placed in storage by someone other than CCC and pledged to CCC as security for a CCC loan, and which will be safely stored so that refined sugar equivalent to the quantity and quality stated in Item 10 and 11 of this KC-227-A may be delivered, upon demand, to the owner of such refined sugar, CCC, or to another person (transferee). 							
This form must be signed by an authorized individual; i.e., corporate officer, partner or proprietor. A manager cannot sign unless authorized by a resolution of the Board of Directors or Power of Attorney furnished by a partner or proprietor.							
A. WAREHOUSE OPERATOR'S SIGNATURE				B. DATE			
PRIVACY ACT AND PUBLIC BURDEN STATEMENTS							
<p>The following statements are made in accordance with the Privacy Act of 1974 (5 U.S.C. 552a) and the Paperwork Reduction Act of 1995, as amended. Authority for the use of this form is under 7 CFR Part 1423 and the respective CCC Storage Agreement. The information will be used to certify the accuracy of the invoice. Furnishing the requested information is mandatory. Failure to furnish the requested information will result in nonpayment of the invoice. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 1001; 15 USC 3729, may be applicable to the information provided.</p> <p>The authority for collecting the following information is Public Law 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.</p>							
NONDISCRIMINATION STATEMENT							
<p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).</p> <p>To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.</p>							

--*

42-45 (Reserved)

Part 3 Obtaining Sugar Loan Program Benefits

46 Obtaining Loans

A

**Loanmaking
Offices**

Eligible processors may obtain loans from a County Office designated by STC as the processor's loanmaking County Office.

B

Loan Types

--Warehouse-stored nonrecourse loans may be disbursed to an eligible processor of 2002 through 2007 crops of sugar beets and sugarcane and farm-stored loans for in-process sugar, as applicable.--

Continued on the next page

46 Obtaining Loans (Continued)

C

**Maximum
Eligible Quantity
for Loan**

The total quantity of sugar that a processor may pledge as collateral for an **initial** loan during a crop year may not exceed the quantity derived from processing domestically grown sugar beets or sugarcane from eligible producers during the applicable crop year.

For in-process sugar, the processor may pledge as collateral for an in-process loan the quantity certified as the number of gallons of thick juice that will equal the number of pounds of sugar when processed into raw cane or refined beet sugar.

A processor requests an in-process sugar loan and certifies to 1,000 gallons and 6,700 pounds of sugar. Determine reasonableness as follows.

$$1000 \text{ gallons} \times 6.9 = 6,900 \text{ pounds.}$$

Multiply the number of gallons times 6.9 to determine reasonableness for the acceptable number of pounds.

The total quantity that a processor may pledge as collateral for a ***--supplemental** loan may not exceed the quantity of sugar pledged for initial--* loans the previous July, August, or September.

Note: Loans on cane sugar are to be made on the actual pounds of eligible sugar, commercial weight.

D

**Ineligible
Quantity for
Loan**

The quantity of ineligible sugar that is in storage includes sugar:

- processed in previous crop years, unless pledged for an initial loan the previous July, August, or September
- currently under loan
- representing sugar beets or sugarcane from ineligible producers, including producers determined to be ineligible because of the regulations governing:
 - HELC and WC
 - controlled substances.

If it is determined that ineligible sugar has been pledged as collateral for loan, the processor shall be required to immediately redeem a quantity of the loan collateral equal to the ineligible quantity.

Continued on the next page

46 Obtaining Loans (Continued)

E

Loan Rates

See Exhibit 6 for the applicable loan rates.

County Offices shall record the loan rate for each crop year on the loan rate table according to 12-PS, Part 14.

* * * Supplemental loan rate shall be the loan rate in effect at the time the supplemental loan is made.

--In-process loan rates are 80 percent of the loan rate applicable to raw cane or refined beet sugar.--

F

Minimum Payment Levels

See Exhibit 7 for the applicable crop year minimum producer payment level for raw cane sugar.

G

Loan Service Fee

The loan service fee is:

- \$60 for each loan
 - nonrefundable.
-

47 (Withdrawn--Amend. 9)

48 Lien Searches

A

General Requirements

Advise processors that CCC requires that sugar pledged as collateral for loan must be free and clear of liens or encumbrances. If there are any liens or encumbrances on sugar pledged as collateral for a loan, waivers that fully protect the interest of CCC must be obtained even though the liens or encumbrances are satisfied from the loan proceeds. No additional liens or encumbrances shall be placed on the sugar after the loan is approved.

B

Conducting Lien Searches

Lien searches shall be conducted:

- by the loanmaking County Office and each verifying office that files UCC-1's before any loan is disbursed
- *--according to 8-LP.

If an office other than the loanmaking County Office finds a lien not described on SU-2, the office shall immediately notify the loanmaking County Office.

C

Recording Lien Waivers

Record necessary lien waivers for processors on CCC-679 according to 8-LP.--*

49 Filing or Recording UCC-1's

A

Filing UCC-1

Lien searches must be conducted in States where the processor's sugar is stored.

Under the Uniform Commercial Code, each State shall file or record UCC-1 according to either or both of the following:

- with the Secretary of State for the State, or similar filing officer
- in the county where the borrower resides.

Note: A processor's organizational residence is the place of business or the chief executive office, if there is more than 1 place of business.

Consult the regional attorney as needed. See:

- subparagraph B for filing UCC-1 in more than 1 State
- subparagraph C for filing in Puerto Rico.

--File all required UCC-1's immediately before any lien search so that there--
can be no intervening security interest.

B

Filing UCC-1 in More Than One State

If the loan collateral is located in more than 1 State:

- the verifying office shall prepare and send any required UCC-1's to the loanmaking County Office
- the loanmaking County Office shall obtain the borrower's signature and return UCC-1's to the verifying office for filing.

Note: An alternative is for the loanmaking County Office to keep available blank UCC-1's from other States to be:

- completed as necessary
- sent to the verifying office for filing.

Notification of UCC-1 filing may be requested by telephone or FAX to avoid delay in the loan disbursement.

Continued on the next page

49 Filing or Recording UCC-1's (Continued)

C

**Securing and
Filing Security
Instruments for
Puerto Rico**

For Puerto Rico only, secure CCC's interests and file security instruments:

- in a manner recognized by the Commonwealth and local law
 - as advised by the regional attorney.
-

D

**Preparing
UCC-1**

For raw cane sugar or beet sugar, identify collateral on UCC-1 as "sugar". Do not include quantities.

For in process sugar, identify collateral on UCC-1 as follows:

"For example: (#) gallons of in process sugar will convert to (#) of pounds of (raw/refined) sugar".

E

**Paying Filing or
Recording Fees**

Issue CCC-184 to pay for filing or recording fees according to 1-FI.

***--F**

CCC-10

Each processor applying for a CCC sugar loan shall complete CCC-10 according to 8-LP.--*

50 Repledging Provisions

A

Repledging Eligible Sugar Provisions

Eligible processors may, before the final loan availability date, repledge as collateral for the loan, eligible sugar that has been previously mortgaged and **repaid**, principal **plus** interest.

The maturity date for the loan for the repledged collateral must be the same as the maturity date for the original note and security agreement.

*--B

Repledging In-Process Sugar

Processors who do not forfeit the in-process sugar may further process the in-process sugars into raw cane and beet sugar and repay the in-process collateral.

Note: The processor may obtain a loan for the raw cane sugar or refined beet sugar in the normal manner.--*

C

Sugar Not Eligible To Be Repledged

A quantity of sugar represented by loans that were called because of any of the following conditions may not be repledged:

- *--in-process sugar not processed--*
 - deteriorating condition of sugar
 - incorrect certification.
- * * *
-

51-61 (Reserved)

Part 4 Loanmaking**Section 1 * * * Compliance and Noncompliance****62 Compliance Provisions**

A**Determining
Compliance**

A loan is available to eligible processors on sugar processed from the production of sugar beets or sugarcane determined to be eligible according to HELC and WC provisions in 6-CP and applicable crop insurance provisions.

County Offices shall:

- annually request processors to provide list of names, addresses, and ID numbers (if available) of producers, owners, and operators who did either of the following:
 - delivered sugar beets or sugarcane in previous years for processing
 - contracted or made arrangements to deliver sugar beets or sugarcane for the current crop year
- request that this information be submitted to the County Office by a date established by STC or COC; however, all information must be submitted by **August 1**.

Note: Use the suggested sample letter in subparagraph B to contact processors.

Continued on the next page

62 Compliance Provisions (Continued)**B****Contacting
Processors**

This is a sample letter sent annually to processors for obtaining names and addresses.

*--

Dear Processor:

Sugar used as collateral to obtain loans must have been delivered by producers, owners, or operators who have certified on form AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification, that the producer, owner, or operator will comply with the necessary conservation provisions during the crop year in which benefits are requested. They are also required to complete form FSA-578, Report of Acreage, before the final acreage reporting date established by the county.

To continue monitoring this process, we need your assistance. Please provide this office with the names, addresses, and ID numbers, if available, of sugar producers, owners, or operators who did either of the following:

- delivered sugar to your facility for processing in the previous crop year
- contracted or made arrangements with you to deliver sugar for the current crop year.

Please provide this information to us by August 1, 20___. Additionally, please provide this office with the same information on any new producers, owners, or operators that you anticipate will deliver sugar in the current crop year, as you receive this information.

If applicable, every effort will be made to provide you with a list of ineligible producers, owners, or operators before October 1, 20___. This will prevent disbursement of loan amounts that may ultimately have to be refunded to the Commodity Credit Corporation.

If you have any questions, please feel free to call this office.

Your cooperation will be appreciated.

Sincerely,

County Executive Director

--*

Continued on the next page

62 Compliance Provisions (Continued)**C
Determining
Eligible
Producers**

County Offices that received information from processors according to subparagraphs A and B shall follow procedures in this table to determine whether a person has complied with conservation and crop insurance provisions.

Step	Action
1	By September 1 , review list of names and addresses received from the processor.
2	Develop a verification list of persons for the applicable crop year who have the following on file: <ul style="list-style-type: none"> • AD-1026 • FSA-578.
3	From the list in step 2, determine whether the persons listed have complied with the certification and compliance provisions on AD-1026 and FSA-578, for the applicable crop year.
4	Provide the loanmaking office with: <ul style="list-style-type: none"> •*-lists of eligible persons immediately after the determination is--* made • updated lists as applicable.

63 Handling Noncompliance

A

Noncompliance Notification

Loanmaking County Offices shall advise processors in writing about persons who were determined ineligible for program benefits by **October 1**.

B

Determining Noncompliance After Loan Disbursement

If noncompliance with HELC or WC * * * is later determined for the crop year and a refund from the processor is applicable because there is less sugar in storage than the quantity determined to be eligible, see subparagraph C for an example and do the following:

- notify the processor to refund the loan amount applicable to the ineligible quantity by repaying principal and interest using the notification letter in 8-LP, subparagraph 602 B
 - if payment is not made within 30 calendar days after the date of the notification letter, send the demand letter in 8-LP, subparagraph 613 F
 - if the processor fails to pay within 30 calendar days after the date of the demand letter, do the following:
 - transfer amounts not paid to claims according to 12-PS, Part 12
 - establish a claim for the applicable amount, plus interest, according to 58-FI
 - process repayments received:
 - **within** 30 calendar days from the date of the demand letter, and record the repayment according to Part 5
 - **after** a claim has been established according to 58-FI.
-

Continued on the next page

63 Handling Noncompliance (Continued)

C

Example

This is an example of a quantity ineligible for loan because producer noncompliance was determined after loan disbursement.

IF the processor has...	THEN the processor must...
<ul style="list-style-type: none"> • a total of 1,000,000 pounds raw cane or refined beet sugar in eligible storage • received a loan for an amount applicable to 500,000 pounds of sugar that was certified as eligible for loan • subsequently determined, upon notification of noncompliance from loanmaking County Office, that 600,000 pounds of sugar in storage was delivered from ineligible producers 	<p>refund the loan amount applicable to the ineligible quantity, or in this example, 100,000 pounds.</p>

64-73 (Reserved)

Section 2 Verification and Application of Sugar Loans

74 Verifying CCC's Loan Interests

A
Verifying
Quantity and
Eligibility for
Loan

***--When possible before** loan disbursement for in-processed loans, including--*
repledged loans, but never later than the 15th calendar day after disbursement,
County Offices shall verify, using SU-2, that:

- the sugar is located where indicated on SU-2
- processor's production and marketing records support the quantity for which a loan is requested.

Notes: Prepare SU-2 according to paragraph 75.

Verifying sugar for loan may include any of the following:

- visual inspection of sugar for loan at storage location

* * *

- reviewing processor records of production and marketing, such as daily logs, activity reports, etc.

Continued on the next page

74 Verifying CCC's Loan Interest (Continued)

B

Verifying Sugar Stored in Other States

Loanmaking County Offices shall also verify, according to subparagraph A, if a loan application includes sugar stored in a State other than where processor has headquarters.

The loanmaking County Office that accepts SU-2 shall notify, through their State Office, all States where sugar is stored, of the locations and quantities. The State Office shall, upon receiving notification from the State Office for the loanmaking county, request County Office where sugar is stored to verify eligibility and quantity according to subparagraph A.

C

Notifying County Offices

Notification may be by either of the following methods:

- send copies of SU-2 covering the processor's lots by **mail**
- give the information necessary for other States to prepare SU-2's for processors' lots by **FAX** or **telephone**.

County Offices that receive notification according to this subparagraph shall, if the information is correct as represented on SU-2:

- have verifier initial and date verification beside SU-2, item 8
- keep a copy of SU-2 and send a copy to the following:
 - loanmaking State Office
 - loanmaking County Office
 - State Office where sugar is stored.

If **not** correct, the verifying County Office shall immediately notify their State Office and the loanmaking State and County Office by telephone of the discrepancy.

If the discrepancy is not corrected, do either of the following:

- do not approve SU-2
 - call the loan if loan has already been disbursed.
-

*--D

Loans Covered by KC-227

County Offices may conduct a pre-loan inspection to verify warehouse-stored loans represented by KC-227 according to subparagraphs A through C, if determined by the County Office that it is necessary to protect CCC's interest.--*

75 Recording Data on SU-2

A

Preparing SU-2 County Offices shall prepare SU-2 according to this table.

Item	Instructions
1	Enter name and address of processor.
2 a	Enter the total storage capacity the processor owns and leases. Note: If space is leased, enter only the space that is committed, under written obligation, to store the processor's sugar.
2 b	Enter the quantity in storage, including sugar: <ul style="list-style-type: none"> processed in previous years currently under loan in deteriorating condition representing production from ineligible producers, including producers determined to be ineligible because of regulations governing HELC, WC, crop insurance, or controlled substance violations.
2 c	Enter the quantity in storage that is both of the following: <ul style="list-style-type: none"> owned by the processor or jointly owned by the processor and producers physically in the storage facility described in item 2 b.
3	Enter crop year.
4	Enter the commodity.
5	Enter required information.
6	Enter names of all lienholders. Note: If there are no lienholders, processors shall enter " none " and initial the entry.

Continued on the next page

75 Recording Data on SU-2 (Continued)

A
Preparing SU-2
(Continued)

Item	Instructions
* * *	* * *
7	<p>Number the lots sequentially beginning with number "1" on processor's first SU-2.</p> <p>Note: Do not include in a lot, sugar offered for loan that is stored at more than 1 address.</p> <p>One address may have more than 1 designated lot, if both of the following apply:</p> <ul style="list-style-type: none"> • the sugar is separated • processor requests more than 1 designated lot.
8	Enter the location of the facility.
9	*--Enter a checkmark in the appropriate checkbox to indicate the type of sugar processed.--*

Continued on the next page

75 Recording Data on SU-2 (Continued)

A
Preparing SU-2
(Continued)

Item	Instructions
10	<p>Enter the total number of pounds in storage.</p> <p>Notes: For bulk raw cane sugar:</p> <ul style="list-style-type: none"> the processor shall provide weight and polarization, or satisfactory records to substantiate the quantity for which the loan is requested do not adjust loan quantity for polarity independent polarity sampling, at the processor's expense, will be done at forfeiture for settlement purposes. <p>If a nonloanmaking office is providing quantity and eligibility verification to a loanmaking office, verifier shall enter initials and date beside the lot number.</p> <p>Ensure that the quantity entered in storage equals the total quantity from item 2 b plus item 2 c.</p>
11	<p>Enter the loan quantity.</p> <p>Note: The quantity for loan should:</p> <ul style="list-style-type: none"> equal the mortgaged quantity not be greater than the amount entered in item 2 c.
12	Enter the applicable loan rate from Exhibit 6.
13	Enter the result of multiplying item 11 times item 12.
Part B	<p>The processor shall read Part B before signing the processor certification of eligible sugar.</p> <p>Note: If the sugar is jointly owned by the processor and producers, only the processor must sign, enter title, and date on SU-2; however, all owners shall sign CCC-677 *--for in-process sugar and CCC-678 for all other sugar loans.--*</p>
Part C	<ul style="list-style-type: none"> Authorized CCC representative shall sign and date after verifying that the information on SU-2 is correct. Enter County Office name, address, and telephone number.

Continued on the next page

75 Recording Data on SU-2 (Continued)

A

Preparing SU-2
(Continued)

This is an example of SU-2.

*--

This form is available electronically.

SU-2
(06-29-04)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

APPLICATION FOR NONRECOURSE SUGAR LOAN

NOTE: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The information will be used to determine your eligibility to enter into a Farm Storage Note and Security Agreement with the CCC. Furnishing the requested information is voluntary, without it no monies or other benefits may be paid out under this program. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE..**

PART A - PROCESSOR, LOAN, AND COMMODITY INFORMATION

1. NAME AND MAILING ADDRESS OF PROCESSOR (Including Zip Code)		2. Storage Facility Information		3. CROP YEAR	4. COMMODITY	5. ST. & CO. CODE AND LOAN NO.	
		a. Total Capacity (Lbs.)					
		b. Ineligible quantity in storage (Lbs.)		6. LIENHOLDER (S)			
		c. Eligible quantity in storage (Lbs.)					

7. WAREHOUSE NUMBER	8. LOCATION OF FACILITY	9. TYPE OF SUGAR (Check one below)			10. QUANTITY IN STORAGE (Lbs.)	11. QUANTITY FOR LOAN (Lbs.)	12. LOAN RATE PER LB.	13. LOAN VALUE \$
		Sugar Cane	Sugar Beet	In Process				

1/ Loans on cane sugar will be made on actual pounds (commercial weight). Adjustments for polarity will be made upon settlement based on independent sampling and testing at the processor's expense. The schedule of premiums and discounts to be used is available in the loan-making office.

14. TOTALS ➤

PART B - PROCESSOR CERTIFICATION

I hereby request a Commodity Credit Corporation (CCC) loan on the above-identified commodity. I certify all of the following: (1) I own the commodity; (2) I have paid or will pay all producers at least the rates required in the sugar loan regulations (7 CFR Part 1435); (3) the quantity for loan is in existence, is stored where indicated, and will be maintained and safely stored throughout the loan period and afterward as directed by CCC; and (4) the quantity for loan is free and clear of all liens, security interests and encumbrances, except as shown above. The processor specified in Part A Item 1 of this application certifies that the quantity of sugar pledged as collateral for loan is eligible sugar as defined in 7 CFR Part 400 Crop Insurance, or (3) 7 CFR Part 718 Controlled Substances, the processor has not pledged as collateral for such a loan a quantity sugar which is equivalent to the quantity derived from such producer's sugar beets or sugar cane. In the event CCC determines that such ineligible sugar has been pledged as collateral for a loan, the processor agrees to immediately redeem a quantity of the loan collateral equal to the ineligible quantity, as determined by CCC.

I further certify that the gallons of in-process sugar, when converted will equal the pounds certified in Item 11.

15A. PROCESSOR'S SIGNATURE	15B. TITLE	15C. DATE (MM-DD-YYYY)

PART C - COUNTY FSA OFFICE CERTIFICATION

This certifies that the above-named processor is an "eligible" processor in accordance with Sugar Regulations 7 CFR Part 1435.

16A. FOR COUNTY FSA COMMITTEE	16B. DATE (MM-DD-YYYY)	16C. COUNTY OFFICE NAME AND ADDRESS	16D. TELEPHONE NUMBER (Include Area code)

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

--*

B

Preparing and
Distributing
SU-2

Loanmaking County Offices shall:

- prepare SU-2 in duplicate for all loans, including loan conversions
- distribute SU-2 as follows:
 - file original in processor's loan folder
 - send 1 copy to processor.

76-85 (Reserved)

6-25-04

10-SU (Rev. 3) Amend. 15

Page 4-32
(through 4-52)

Section 3 Spot Checks

86 Spot-Check Provisions

A
Loanmaking
County Office
Spot Checks

*--DACO will complete spot checks for all outstanding processed loans.

For all in-process sugar loans, each **loanmaking** County Office shall take the following action for spot checks.

Step	Action
1	Initiate a spot check of each processor's total outstanding in-process loan quantity according to 12-PS, Part 15.
2	Ensure that the quantity pledged for collateral equals or exceeds the loan quantity.
3	Visually check the tanks storing the in-process sugar.
4	Verify that the storage structure is adequate for the safe storage and maintenance of the collateral.
5	Review processor records to verify the ability to store in-process sugar, as applicable.--*
6	Notify sugar storage verifying County Office, through loanmaking, and verifying State Office to: <ul style="list-style-type: none"> • initiate spot check on applicable loans • provide quantities under loan.

Note: A spot check may be initiated at any other time STC or COC considers it necessary.

Handle cases of unauthorized removal, disposition, or sugar threatened with
 --deterioration according to paragraph 97.--

Continued on the next page

86 Spot-Check Provisions (Continued)

B**Verifying County
Office Spot
Checks**

*--Each in-process sugar storage **verifying** County Office shall take the--*
following action for spot checks.

Step	Action
1	Be notified by the loanmaking County Office, through their State Office, of: <ul style="list-style-type: none"> • request for spot check • quantity under loan at time of spot check.
2	Maintain SU-2 showing the current loan collateral in its verifying jurisdiction.
3	Conduct random spot checks as necessary to monitor maintenance of collateral. Note: Random spot checks may be initiated when it is noted there is unusual movement out of a storage location or at any other time it is considered necessary.
4	Keep original spot-check report in processor's loan folder and send copies according to subparagraph 74 C.

C**DD Review**

DD's shall:

- review processors' loan folders to:
 - verify calculations
 - ensure that current policies are being followed
- document results of the review in processors' loan folder.

87-96 (Reserved)

Section 4 Loan Maintenance

97 Maintaining Loan Collateral

A

Processor Responsibilities

The processor shall be responsible at all times for maintaining in eligible storage, eligible sugar of sufficient quantity and quality to satisfy the loan indebtedness to CCC.

Note: CCC will **not** assume any losses in the quality or quantity of the loan collateral.

B

Insurance Requirements

County Offices shall advise the processor that:

- CCC does **not** require a processor to insure sugar pledged as loan collateral
- if the processor does insure sugar pledged for loan and the loan is subsequently called because the sugar is damaged or destroyed, insurance indemnities, which shall be paid by the insurer, shall be assigned to CCC to pay any outstanding loan obligation.

Note: If the indemnity paid is less than the loan obligation, CCC will seek payment for the remaining amount from the processor.

Continued on the next page

97 Maintaining Loan Collateral (Continued)

C

**Deteriorating
Loan Collateral** *--If deterioration of sugar under loan is reported by the processor, contact KCCO
immediately at 816-926-6446.--*

* * *

D

**Substituting
Collateral** Substituting sugar in another location for loan collateral is **not** permitted under the
Sugar Loan Program.

98-107 (Reserved)

Section 5 (Withdrawn--Amend. 9)

108 (Withdrawn--Amend. 9)

109-118 (Reserved)

Section 6 Using APSS

119-123 (Withdrawn--Amend. 10)

124 Automated Procedures

A**Using This Handbook for APSS**

Follow the instructions in this handbook when using APSS to accomplish the following types of loan activities:

- loanmaking
 - supplemental loanmaking
 - repledged loanmaking
 - additional disbursements
 - repayments
 - settlements
 - corrections.
-

B**Common Procedures**

Some common procedures are essential to more than 1 specific automated process. Common procedures applicable to all loan processes are in 12-PS. This section contains instructions for common procedures applicable to:

- County Office maintained files
 - access to loan applications
 - processor and loan identification.
-

C**Automated Program Codes**

Program codes for 2002 and future crop years for processed and in-process sugar are:

- in-process cane, XXIPCS
- in-process beet, XXIPBS
- beet sugar, XXBSUG
- sugarcane, XXCSUG.

Notes: Replace “XX” with the applicable crop year.

--For edible molasses or sugarcane syrup, use the program code for beet sugar or sugar cane, as applicable.--

***--125 County Office Maintained Table Files**

**A
Maintaining and
Updating Table
Files**

County Offices shall maintain and update the table files in subparagraph B before beginning the loanmaking process.

**B
APSS Procedure**

County Offices shall maintain table files according to the following table.

Reference	Table File	Frequency
12-PS, Part 14, Section 3	Monthly Interest Rate	Monthly
	Commodity Loan Rate	Yearly

**C
Area/Region
Codes**

County Offices shall refer to Exhibit 6 for area/region codes.--*

***--126 Commonly Used Keys**

A**Using Command Keys**

Several command key functions are available throughout the price support processes. The available command keys:

- may vary on different menus or screens
 - are displayed at the bottom of the menu or screen
 - may be used any time they are displayed.
-

B**"Cmd3" and "Cmd7" Keys**

The following are the most common command key functions displayed.

Key	Function
"Cmd3=Previous Menu"	Ends the process and displays the previous menu.
"Cmd3=Previous Screen"	Displays the previous screen.
"Cmd7=End of Job"	Ends the process and displays Price Support Main Menu PCA005.

C**"New Line" and "Field Exit" Keys**

The following are the most common key functions used to move around a screen requiring data entry.

Key	Function
"New Line"	Pressing the "New Line" key within a data entry field leaves the data positioned exactly as entered.
"Field Exit"	Causes the data entered to be right justified within the data field. Since most numerical fields require the data to be right justified, use "Field Exit" unless instructed otherwise.

--*

--127 Accessing Price Support Applications*A****Instructions**

To access County Office price support applications described in this handbook, sign on to the computer and follow the instructions in this table.

Step	Action	Result
1	On Primary Selection Menu FAX250: <ul style="list-style-type: none"> ENTER "4", "Application Processing (Office Selection)" PRESS "Enter". 	Menu FAX09002 will be displayed.
2	On Office Selection Options Menu FAX09002: <ul style="list-style-type: none"> select the County Office to be processed PRESS "Enter". 	Menu FAX07001 will be displayed.
3	On Application Selection Menu FAX07001: <ul style="list-style-type: none"> ENTER "13", "Price Support" PRESS "Enter". 	Menu PCA005 will be displayed. Select the option applicable to the transaction to be processed according to subparagraph B.

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Continued on the next page

--127 Accessing Price Support Applications (Continued)*B**

Price Support Follow this table for selecting options available on Price Support Main
Main Menu Menu PCA005 applicable to sugar loans. PRESS "Enter" after making a
PCA005 Options selection.

Option	Title	Result
1	Inquire About a Loan/LDP	Screen PCA11000 will be displayed. See 12-PS, Part 2.
2	Perform Loanmaking Functions	Screen PCA11000 will be displayed. See Part 4.
4	Repay a Loan/Refund LDP Amount	Screen PCA11000 will be displayed. See Part 5.
5	Settle a Loan	Screen PCA11000 will be displayed. See Part 6.
7	Correct a Loan/LDP	Screen PCA11000 will be displayed. See Part 8.
8	Perform Loan/LDP Servicing Functions	Screen PVA005 will be displayed. See 12-PS, Part 12.
9	Perform Administrative Functions	Screen PAA010 will be displayed. See 12-PS, Part 14.
11	Perform System Control Functions	Screen PKA000 will be displayed. See 12-PS, Part 17.

--*

--128 In-Process Sugar Loanmaking Transaction*A**

Entering In-Process Sugar Loans In-process sugar loans shall be processed as **Farm-Stored Regular Certified**. Follow instructions in the following table to process in-process sugar loans.

Step	Action	Result	
1	On Menu PCA005: <ul style="list-style-type: none"> ENTER "2" PRESS "Enter". 	Screen PCA1100 will be displayed.	
2	On Screen PCA11000: <ul style="list-style-type: none"> enter: <ul style="list-style-type: none"> either the producer's last name or the producer's ID and type the crop year "N" for the loan number PRESS "Enter". 	IF... <ul style="list-style-type: none"> Screen PCA12000 is displayed Screen MACR04-01 is displayed 	THEN go to... <ul style="list-style-type: none"> step 4 step 3.
3	On Screen MACR04-01: <ul style="list-style-type: none"> enter the number for the desired producer PRESS "Enter". 	Screen PCA12000 will be displayed.	
4	On Screen PCA12000: <ul style="list-style-type: none"> ENTER "Y" or "N", as applicable, to the following questions: <ul style="list-style-type: none"> "Is this the correct producer?" "Is this the re-entry of a corrected loan?" PRESS "Enter". 	IF the producer is... correct and this is not a re-entry of a corrected loan not correct correct, but this a re-entry of a corrected loan	THEN... Menu PLA000 will be displayed. Go to step 6. Screen PCA11000 will be redisplayed. Return to step 2. Screen PCA12000 will be redisplayed. Go to step 5.

--*

Continued on the next page

*--128 In-Process Sugar Loanmaking Transaction (Continued)

A
Entering
In-Process Sugar
Loans
(Continued)

Step	Action	Result
5	On Screen PCA12000: <ul style="list-style-type: none"> enter the crop year and loan number of the original loan PRESS "Enter". 	Menu PLA000 will be displayed. Go to step 6.
6	On Menu PLA000: <ul style="list-style-type: none"> ENTER "1" PRESS "Enter". 	Screen PLB10000 will be displayed. Go to step 7.
7	On Screen PLB10000: <ul style="list-style-type: none"> enter: <ul style="list-style-type: none"> commodity code class/variety crop year PRESS "Enter". 	Screen PLB10005 will be displayed. Go to step 8.
8	On Screen PLB10005: <ul style="list-style-type: none"> ENTER "Y" or "N", as applicable, to the question, "Is a spot check required for this loan?" enter the loan application date (MMDDYY) ENTER "Y", as applicable, to the question, "Is this a repledged loan?" enter the region code for the applicable loan rate Note: Refer to Exhibit 6 for area/region codes. PRESS "Enter". 	Screen PLB10010 will be displayed. Go to step 9.
9	On Screen PLB10010: <ul style="list-style-type: none"> enter the location where the commodity is stored PRESS "Enter". 	Screen PLB11010 will be displayed. Go to step 10.

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Continued on the next page

***--128 In-Process Sugar Loanmaking Transaction (Continued)**

A
Entering
In-Process Sugar
Loans
(Continued)

Step	Action	Result
10	<p>On Screen PLB11010:</p> <ul style="list-style-type: none"> enter: <ul style="list-style-type: none"> seal number <p>Note: This number has been preassigned by the system; enter new number to manually assign.</p> <ul style="list-style-type: none"> quantity in storage (numeric) quantity for loan (numeric) additional lots? (Y or N) PRESS "Enter". 	<p>Screen PLB13000 will be displayed. Go to step 11.</p>
11	<p>On Screen PLB13000:</p> <ul style="list-style-type: none"> the following information is system-displayed: <ul style="list-style-type: none"> seal number mortgaged quantity loan quantity loan rate total loan amount PRESS "Enter". 	<p>Screen PLB13500 will be displayed. Go to step 12.</p>
12	<p>On Screen PLB13500:</p> <ul style="list-style-type: none"> the following information is system-displayed: <ul style="list-style-type: none"> mortgaged quantity loan quantity loan amount service fees PRESS "Enter". 	<p>Screen PLB13505 will be displayed. Go to step 13.</p>

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Continued on the next page

***--128 In-Process Sugar Loanmaking Transaction (Continued)**

A
Entering
In-Process Sugar
Loans
(Continued)

Step	Action	Result
13	<p>On Screen PLB13505:</p> <ul style="list-style-type: none"> the following information is displayed: <ul style="list-style-type: none"> gross loan amount total loan amount service fees PRESS "Enter". 	<p>Screen PLB13510 will be displayed. Go to step 14.</p>
14	<p>On Screen PLB13510:</p> <ul style="list-style-type: none"> the following information is displayed: <ul style="list-style-type: none"> mortgaged quantity loan quantity loan amount disbursement amount PRESS "Enter". 	<p>Menu PLA005 will be displayed. Go to step 15.</p>
15	<p>On Menu PLA005:</p> <ul style="list-style-type: none"> enter the applicable option number PRESS "Enter". 	<p>Screen PLA13005 will be displayed. Go to step 16.</p>
16	<p>On Screen PLA13005:</p> <ul style="list-style-type: none"> enter: <ul style="list-style-type: none"> date of lien search answer to the question, "Do you wish to complete this process?" (Y or N) PRESS "Enter". 	<p>Screen PCA97000 will be displayed. Go to step 17.</p>

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***--128 In-Process Sugar Loanmaking Transaction (Continued)**

A
Entering
In-Process Sugar
Loans
(Continued)

Step	Action	Result	
17	On Screen PCA97000: <ul style="list-style-type: none"> enter the printer ID to print forms and reports PRESS "Enter". 	CCC-677 will be printed, and Screen PCE52010 will be displayed. Go to step 18.	
18	On Screen PCE52010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	IF...	THEN...
		"Y" was entered	<ul style="list-style-type: none"> CCC-677 will be reprinted Screen PCE52010 will be redisplayed. Repeat this step.
		"N" was entered	<ul style="list-style-type: none"> CCC-677 will not be printed Screen PCE54010 will be displayed. Go to step 19.
19	On Screen PCE54010, ENTER "Y" or "N" to the question, "Do you wish to reprint this form?"	IF...	THEN...
		"Y" was entered	<ul style="list-style-type: none"> CCC-677A will be reprinted Screen PCE54010 will be redisplayed. Repeat this step.
		"N" was entered	CCC-677A will not be reprinted. Go to step 20.
20	Accounting-Checkwriting procedure begins. See 1-FI for Accounting-Checkwriting procedure.	After Accounting-Checkwriting procedure is completed, Menu PCA005 will be redisplayed. Return to step 1.	

--*

--129 Processed Sugar Loanmaking Transaction*A**

Entering Processed Sugar Loans Processed sugar loans shall all be processed as **warehouse loans**. Process processed sugar loans according to the following table.

Step	Action	Result	
1	On Menu PCA005: <ul style="list-style-type: none"> ENTER "2" PRESS "Enter". 	Screen PCA1100 will be displayed.	
2	On Screen PCA11000: <ul style="list-style-type: none"> enter: <ul style="list-style-type: none"> either the producer's last name or the producer's ID and type the crop year "N" for the loan number PRESS "Enter". 	IF...	THEN go to...
		<ul style="list-style-type: none"> Screen PCA12000 is displayed Screen MACR04-01 is displayed 	<ul style="list-style-type: none"> step 4 step 3.
3	On Screen MACR04-01: <ul style="list-style-type: none"> enter the number for the desired producer PRESS "Enter". 	Screen PCA12000 will be displayed.	
4	On Screen PCA12000: <ul style="list-style-type: none"> ENTER "Y" or "N", as applicable, to the following questions: <ul style="list-style-type: none"> "Is this the correct producer?" "Is this the re-entry of a corrected loan?" PRESS "Enter". 	IF the producer is...	THEN...
		correct and this is not a re-entry of a corrected loan	Menu PLA000 will be displayed. Go to step 6.
		not correct	Screen PCA11000 will be redisplayed. Return to step 2.
		correct, but this a re-entry of a corrected loan	Screen PCA12000 will be redisplayed. Go to step 5.

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Continued on the next page

129 Processed Sugar Loanmaking Transaction (Continued)

A Entering Processed Sugar Loans (Continued)

Step	Action	Result
5	On Screen PCA12000: <ul style="list-style-type: none"> enter the crop year and loan number of the original loan PRESS "Enter". 	Menu PLA000 will be displayed. Go to step 6.
6	On Menu PLA000: <ul style="list-style-type: none"> ENTER "4" PRESS "Enter". 	Screen PLC10000 will be displayed. Go to step 7.
7	On Screen PLC10000: <ul style="list-style-type: none"> enter: <ul style="list-style-type: none"> commodity •*--class (leave blank)--* crop year warehouse code the area code for applicable loan rate loan application date for a supplemental loan, the number of months the original loan was outstanding expected month of loan approval "Is this a replugged loan?" PRESS "Enter". 	Screen PLC20000 will be displayed. Go to step 8.

Continued on the next page

*--129 Processed Sugar Loanmaking Transaction (Continued)

A
Entering
Processed Sugar
Loans
(Continued)

Step	Action	Result
8	<p>On Screen PLC20000:</p> <ul style="list-style-type: none"> enter: <ul style="list-style-type: none"> warehouse receipt number <p>Note: This number is the number the processors enter on KC-227 or KC-227-A ; there will be no warehouse receipts issued.</p> <ul style="list-style-type: none"> date receipt issued storage charge per pounds PRESS "Enter". 	<p>Screen PLC23500 will be displayed. Go to step 9.</p>
9	<p>On Screen PLC23500, the receipt number is system-displayed.</p> <ul style="list-style-type: none"> Enter the answer to the question, "Do you have additional receipts?". PRESS "Enter". 	<p>Screen PLC11000 will be displayed. Go to step 10.</p>
10	<p>On Screen PLC11000:</p> <ul style="list-style-type: none"> the following information is system-displayed: <ul style="list-style-type: none"> receipt number receipt loan quantity receipt loan amount basic commodity loan rate total premiums amount total discounts amount net loan rate PRESS "Enter". 	<p>Screen PLC12000 will be displayed. Go to step 11.</p>

--*

Continued on the next page

***--129 Processed Sugar Loanmaking Transaction (Continued)**

A
Entering
Processed Sugar
Loans
(Continued)

Step	Action	Result
11	On Screen PLC12000: <ul style="list-style-type: none"> the following information is system-displayed: <ul style="list-style-type: none"> loan quantity loan amount service fees PRESS "Enter". 	Screen PLC12005 will be displayed. Go to step 12.
12	On Screen PLC12005: <ul style="list-style-type: none"> the following information is system-displayed: <ul style="list-style-type: none"> gross loan amount total loan amount service fees PRESS "Enter". 	Screen PLC12010 will be displayed. Go to step 13.
13	On Screen PLC12010: <ul style="list-style-type: none"> the following information is system-displayed: <ul style="list-style-type: none"> loan quantity loan amount disbursement amount PRESS "Enter". 	Menu PLA005 will be displayed. Go to step 14.
14	On Menu PLA005: <ul style="list-style-type: none"> enter the applicable option number PRESS "Enter". 	Screen PLA13005 will be displayed. Go to step 15.

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Continued on the next page

***--129 Processed Sugar Loanmaking Transaction (Continued)**
**A
Entering
Processed Sugar
Loans
(Continued)**

Step	Action	Result	
15	On Screen PLA13005 <ul style="list-style-type: none"> enter: <ul style="list-style-type: none"> date of lien search original loan approval date answer to the question, "Do you wish to complete this process?" (Y or N) PRESS "Enter". 	Screen PCA97000 will be displayed. Go to step 16.	
16	On Screen PCA97000: <ul style="list-style-type: none"> enter the printer ID to print forms and reports PRESS "Enter". 	<ul style="list-style-type: none"> CCC-678 will be printed. Screen PCE55010 will be displayed. Go to step 17. 	
17	On Screen PCE55010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	IF...	THEN...
		"Y" was entered	<ul style="list-style-type: none"> CCC-678 will be reprinted Screen PCE55010 will be redisplayed. Repeat this step.
		"N" was entered	<ul style="list-style-type: none"> CCC-678 will not be printed. Screen PCE54010 will be displayed. Go to step 18.

--*

Continued on the next page

--129 Processed Sugar Loanmaking Transaction (Continued)*A
Entering
Processed Sugar
Loans
(Continued)**

Step	Action	Result	
		IF...	THEN...
18	On Screen PCE54010, ENTER "Y" or "N" to the question, "Do you wish to reprint this form?"	"Y" was entered	<ul style="list-style-type: none"> CCC-677A will be reprinted Screen PCE54010 will be redisplayed. Repeat this step.
		"N" was entered	CCC-677A will not be reprinted. Go to step 19.
19	Accounting-Checkwriting procedure begins. See 1-FI for Accounting-Checkwriting procedure.	After Accounting-Checkwriting procedure is completed, Menu PCA005 will be redisplayed. Return to step 1.	

--*

130-134 (Reserved)

Part 5 Repayment of Loans

Section 1 Repayment Provisions

134 Repaying Loans

A

Basic Repayment Provisions

A processor may repay a loan in full or in part any time before CCC acquires the collateral by paying an amount representing the quantity redeemed, plus interest.

For:

- **full** redemption of a sugar loan, release the entire loan quantity
- **partial** redemption of a sugar loan, release the quantity redeemed.

* * *

*--KC-227 and KC-227-A must be repaid in full. Obtaining replacement documents is **not** authorized.--*

B

Recording Repayments

Loans may be repaid by check or wire transfer. Record the repayment through APSS, according to Section 5.

Prepare and deposit collections according to 3-FI and 6-FI.

C

Releasing UCC-1

--After CCC-677 for in-process sugar and CCC-678 for all other sugar loans is-- released to the processor according to paragraph 156, prepare and file documents necessary to release UCC-1 or other security instrument.

The release shall be at the processor's expense.

*--D

Releasing CCC-677 or CCC-678

Mark the original copies of CCC-677 or CCC-678 "Paid" and return to processor when the loan is completely liquidated through redemption.--*

135-144 (Reserved)

Section 2 Information and Application of Interest**145 Interest Rates**

A**Effective Interest Rate**

The interest rate in effect when a loan is executed is 1 percentage point higher than the rate charged CCC by the U.S. Treasury during the month the disbursement is made. This initial rate for the loan disbursement will remain in effect until adjusted each January 1 after the disbursement is made on the outstanding loan amount.

B**Applying Interest**

For regular loan repayments, interest is computed through APSS.

*--When APSS is **not** operating, see 8-LP, Part 9 to:--*

- determine interest
 - apply interest
 - compute interest manually.
-

Continued on the next page

145 Interest Rates (Continued)

C

Assessing
Interest

Processors redeeming loans shall be assessed interest according to this table.

Processors redeeming a loan that has a total aggregate principal amount of \$500,000 or more and...	THEN...
repayment is by check	<p>assess interest from the loan disbursement date through the day after the date of repayment.</p> <p>Example: A processor receiving a sugar loan disbursement on *--February 3, 2004, and repaying the loan by check on April 15, 2004, would be assessed interest from February 3 through April 16, or 74 days.--*</p>
repayment is by wire transfer	<ul style="list-style-type: none"> assess interest from the loan disbursement date up to, but not including, the second day before the date of repayment <p>Example: A processor receiving a sugar loan disbursement on *--February 3, 2004, and repaying the loan by wire transfer on April 15, 2004, would be assessed interest from February 3 through April 12, or 70 days.--*</p> <ul style="list-style-type: none"> according to 3-FI: <ul style="list-style-type: none"> process a wire transfer: <ul style="list-style-type: none"> schedule number log deposit file prepare CCC-258.
Processors redeeming a loan that has a total aggregate principal amount of less than \$500,000 and...	THEN...
repayment is by check or wire transfer	<ul style="list-style-type: none"> assess interest from the loan disbursement date up to, but not including, the date of repayment according to 3-FI, process a wire transfer. <p>Example: A processor receiving a sugar loan disbursement on *--February 3, 2004, and repaying the loan by check or wire transfer on April 15, 2004, would be assessed interest from February 3 through April 14, or 72 days.--*</p>

Section 3 (Withdrawn--Amend. 15)

156 (Withdrawn--Amend. 15)

157-166 (Reserved)

Section 4 (Withdrawn--Amend. 15)

167 (Withdrawn--Amend. 15)

168-177 (Reserved)

Section 5 Processing Repayments in APSS

178, 179 (Withdrawn--Amend. 10)

*--179.5 Sugar Loan Repayments

A

APSS Procedure Process sugar loan repayments according to this table.

Step	Action	Result
1	On Menu PCA005: <ul style="list-style-type: none"> ENTER "4" PRESS "Enter". 	Screen PCA12000 will be displayed. Go to step 2.
2	On Screen PCA12000: <ul style="list-style-type: none"> ENTER "Y" or "N", as applicable, to the following questions: <ul style="list-style-type: none"> "Is this the correct producer?" "Is this a recording of a manually made action?" PRESS "Enter". 	Screen PCA14000 will be displayed. Go to step 3.
3	On Screen PCA14000: <ul style="list-style-type: none"> ENTER "Y" or "N", as applicable, to the following questions: <ul style="list-style-type: none"> "Is this the correct loan?" "Do you wish to see bin/receipt information for this loan?" PRESS "Enter". 	Menu PPD00000 will be displayed. Go to step 4.
4	On Menu PPD00000: <ul style="list-style-type: none"> enter the applicable repayment type PRESS "Enter". 	Menu PPD01000 will be displayed. Go to step 5.
5	On Menu PPD01000: <ul style="list-style-type: none"> enter the applicable repayment option PRESS "Enter". 	Screen PPD11200 will be displayed. Go to step 6.

--*

Continued on the next page

--179.5 Sugar Loan Repayments (Continued)*A
APSS Procedure
(Continued)**

Step	Action	Result
6	<p>On Screen PPD11200:</p> <ul style="list-style-type: none"> enter: <ul style="list-style-type: none"> repayment date “Y” or “N”, as applicable , to the following questions: <ul style="list-style-type: none"> “Is this a wire transfer?” “Was this loan disbursed entirely by direct deposit?” PRESS “Enter”. 	<p>Screen PPD13800 will be displayed. Go to step 7.</p>
7	<p>On Screen PPD13800:</p> <ul style="list-style-type: none"> the following information is displayed: <ul style="list-style-type: none"> repayment date maturity date cost per pound principal remaining principal liquidated quantity remaining interest amount quantity liquidated total amount enter the answer to the following question, “Do you wish to complete the Repayment?” (Y or N) PRESS “Enter”. 	<p>Screen PPD98000 will be displayed. Go to step 8.</p>

--*

Continued on the next page

--179.5 Sugar Loan Repayments (Continued)*A
APSS Procedure
(Continued)**

Step	Action	Result
8	On Screen PPD98000: <ul style="list-style-type: none"> enter the "Amount Received" PRESS "Enter". 	Screen PCA97000 will be displayed. Go to step 9.
9	On Screen PCA97000: <ul style="list-style-type: none"> enter the printer ID to print forms and reports enter the number of copies to be printed PRESS "Enter". 	CCC-500 will be printed. Screen PCE50010 will be displayed. Go to step 10.
10	On Screen PCE50010, ENTER "Y" or "N" to the question, "Do you want to reprint this form?"	Screen AGK00500 will be displayed. Go to step 11.
11	Accounting-Checkwriting procedure begins. See 1-FI for Accounting-Checkwriting procedure.	After Accounting-Checkwriting procedure is completed, Menu PCA005 will be redisplayed. Return to step 1.

--*

180 Processing Receivable Repayments

A**Accessing
Receivable
Repayments**

After selecting Screen PPD00000, option 4 according to subparagraph 178 D, Screen PPD71000 will be displayed with the receivable effective date and total receivable principal outstanding on the loan.

Note: If there are multiple receivable effective dates, "multiple" will be displayed instead of a specific date.

Enter the repayment date and indicate whether repayment is being made by wire transfer.

Note: To find specific receivable information about a loan before making the repayment, ENTER "1", "Inquire About a Loan", on Menu PCA005
--according to 12-PS, Part 2.--

B**Completing
Screen PPD71000**

Complete Screen PPD71000 according to the following.

Field	Entry
Repayment Date	Enter current date to record a current day repayment.
	Enter date the repayment will be made to inquire about a future repayment.
	Enter date the repayment was received to record a manual repayment.
Is this a wire transfer?	Enter either of the following: <ul style="list-style-type: none"> • "Y" if the repayment is made by wire transfer • "N" if the repayment is made by other means.

PRESS "Enter" after completing entries. Screen PPD73000 will be displayed.

Continued on the next page

180 Processing Receivable Repayments (Continued)

C

Selecting 1 or More Receivables to Repay

Screen PPD73000 displays the following information for each outstanding receivable on the loan:

- select number
- effective date
- outstanding principal on this record
- previous interest on this record
- creating application.

Note: Creating application displays "Other".

D

Making Repayments

Complete the repayment entries on Screen PPD73000 according to this table.

Step	Action	
1	Enter the number of the receivable to be liquidated from the list on the screen. This is a required entry.	
2	Enter the dollar amount to be liquidated from this record. This is a required entry.	
	Note: This entry should be the principal amount to be liquidated from the receivable. The interest due will be calculated on the principal amount entered on Screen PPD73000.	
3	Enter liquidated damages applicable to this record.	
	IF liquidated damages...	THEN...
	do not apply	ENTER "0".
	apply to this repayment	*--manually calculate the liquidated damages according to 8-LP--* and enter dollar amount on quantity: <ul style="list-style-type: none"> • applicable to the portion of the receivable being repaid for a partial repayment • on which liquidated damages have not been collected if part of the receivable was previously repaid.
4	IF a demand letter was...	THEN...
	sent	enter the date the letter was mailed.
	not sent	leave blank.

PRESS "Enter" after completing entries. Screen PPD74000 will be displayed.

180 Processing Receivable Repayments (Continued)

E**Interest
Calculations**

Interest will be calculated from the receivable effective date up to, but not including, the date of repayment.

Notes: If a demand letter was mailed and the repayment date is not 30 calendar days or less from the date the letter was mailed:

- repayment must be handled through ACS according to 64-FI
- the message, "Cannot Repay. Please Transfer to Claims and Record Collection.", will be displayed.

PRESS "Enter" to return to Menu PCA005, and transfer the receivable
--to claims according to 12-PS, Part 12.--

F**Receivable
Summary**

After pressing "Enter" on Screen PPD73000, Screen PPD74000 will be displayed with the following information:

- receivable effective date
- receivable principal liquidated

Note: This includes the principal repaid on all receivables entered during this transaction.

- interest due
 - liquidated damages due, if applicable
 - total due for this repayment.
-

Continued on the next page

180 Processing Receivable Repayments (Continued)

F Receivable Summary (Continued)

Complete Screen PPD74000 according to this table.

Field	Entry	
Enter amount you wish to repay	Enter the amount to be repaid. Note: If less than the total amount due is entered, the amount will be prorated between the receivable amount, interest, and liquidated damages displayed on the screen. Record in the loan folder the percent of liquidated damages paid, if applicable.	
Do you wish to repay another receivable?	IF another receivable is...	THEN ENTER...
	to be repaid	"Y".
	not to be repaid	"N".

PRESS "Enter" after completing entries. If the question, "Do you wish to repay another receivable?" was answered with:

- "Y", Screen PPD73000 will be redisplayed to select another receivable according to subparagraph D
- "N", Screen PPD76000 will be displayed.

Continued on the next page

180 Processing Receivable Repayments (Continued)

**G
Completing
Repayments**

After all receivable repayments have been entered, Screen PPD76000 displays the following information:

- total receivable principal due
- total interest due
- total liquidated damages amount due
- grand total received.

Note: The grand total received is the total amount chosen to repay for all receivables selected.

The question, "Do you wish to complete this repayment?" will be displayed.

- To complete the repayment, ENTER "Y". Screen PCA97000 will be displayed. See paragraph 182.
- To end processing, ENTER "N" or PRESS "Cmd7". Menu PCA005 will be displayed.
- To restart the repayment, PRESS "Cmd2". Screen PPD00000 will be displayed. See paragraph 178.

CCC-500 will print and Screen PCE50010 will be displayed. See paragraph 182.

181 Processing Overdisbursement Repayments

A**Accessing
Overdisbursement
Repayments**

After selecting Screen PPD00000, option 5 according to subparagraph 178 D, Screen PPD72000 will be displayed with the overdisbursement effective date and total overdisbursement principal outstanding on the loan.

Note: If there are multiple overdisbursement effective dates, "multiple" will be displayed instead of a specific date.

Enter the repayment date and indicate whether repayment is being made by wire transfer.

Note: To find specific overdisbursement information about a loan before making the repayment, ENTER "1", "Inquire About a loan", on Menu PCA005
--according to 12-PS, Part 2.--

B**Completing
Screen PPD72000**

Complete Screen PPD72000 according to the following.

Field	Entry
Repayment Date	Enter current date to record a current day repayment.
	Enter date the repayment will be made to inquire about a future repayment.
	Enter date the repayment was received to record a manual repayment.
Is this a wire transfer?	Enter either of the following: <ul style="list-style-type: none"> • "Y" if the repayment is made by wire transfer • "N" if the repayment is made by other means.

PRESS "Enter" after completing entries. Screen PPD73000 will be displayed.

Continued on the next page

181 Processing Overdisbursement Repayments (Continued)

C

Selecting Overdisbursement to Repay

Screen PPD73000 displays the following information for each outstanding overdisbursement on the loan:

- select number
- effective date
- outstanding principal on this record
- previous interest on this record
- creating application.

Note: Creating application displays the following:

- "Loan Making" if the overdisbursement was created by recording a manual loan
- "LOAN VIOLATION" if the overdisbursement was created by recording a loan violation, for 1993 crop year and later
- "LIQ DAMAGES" for liquidated damages as a result of recording a loan violation.

D

Making Repayments

Complete the repayment entries on Screen PPD73000 according to this table.

Step	Action	
1	Enter the number of the overdisbursement to be liquidated from the list on the screen. This is a required entry.	
2	Enter the dollar amount to be liquidated from this record. This is a required entry. Note: This entry should be the principal amount to be liquidated from the overdisbursement. The interest due will be calculated on the principal amount entered on Screen PPD73000.	
3	IF a demand letter was...	THEN...
	sent	<ul style="list-style-type: none"> • enter the date the letter was mailed if the originating application is "Loan Making" • PRESS "Enter" if the originating application is "LOAN VIOLATION" or "LIQ DAMAGES".
	not sent	leave blank.

PRESS "Enter" after completing entries. Screen PPD75000 will be displayed.

Continued on the next page

181 Processing Overdisbursement Repayments (Continued)

E**Interest
Calculations**

Interest will be calculated from the disbursement date recorded for the overdisbursement to, but not including, the date of repayment.

Notes: If a demand letter was mailed and the repayment date is not 30 calendar days or less from the date the letter was mailed:

- repayment must be handled through ACS according to 64-FI
- the message, "Cannot Repay. Please Transfer to Claims and Record Collection.", will be displayed.

PRESS "Enter" to return to Menu PCA005, and transfer the
--overdisbursement to claims according to 12-PS, Part 12.--

F**Overdisbursement
Summary**

After pressing "Enter" on Screen PPD73000, Screen PPD75000 will be displayed with the following information:

- overdisbursement effective date
- amount previously due, if more than 1 overdisbursement is being repaid
- overdisbursement principal liquidated

Note: This includes the principal repaid on all overdisbursements entered during this transaction.

- interest due
 - liquidated damages due, if applicable
 - total due for this repayment.
-

Continued on the next page

181 Processing Overdisbursement Repayments (Continued)

F
Overdisbursement Summary Complete Screen PPD75000 according to this table.

(Continued)

Field	Entry	
Enter amount you wish to repay	Enter the amount to be repaid. Note: If less than the total amount due is entered, the amount will be prorated between the overdisbursement amount and interest on the screen.	
Do you wish to repay another overdisbursement?	IF another overdisbursement is...	THEN ENTER...
	to be repaid	"Y".
	not to be repaid	"N".

PRESS "Enter" after completing entries. If the question, "Do you wish to repay another overdisbursement?" was answered with:

- "Y", Screen PPD73000 will be redisplayed to select another overdisbursement according to subparagraph D
- "N", Screen PPD77000 will be displayed.

Continued on the next page

181 Processing Overdisbursement Repayments (Continued)

**G
Completing
Repayments**

After all overdisbursement repayments have been entered, Screen PPD77000 displays the following information:

- total overdisbursement principal due
- total interest due
- total liquidated damages amount due
- grand total received.

Note: The grand total received is the total amount chosen to repay for all overdisbursements selected.

The question, "Do you wish to complete this repayment?" will be displayed.

- To complete the repayment, ENTER "Y". Screen PCA97000 will be displayed. See paragraph 182.
- To end processing, ENTER "N" or PRESS "Cmd7". Menu PCA005 will be displayed.
- To restart the repayment, PRESS "Cmd2". Screen PPD00000 will be displayed. See paragraph 178.

CCC-500 will print and Screen PCE50010 will be displayed. See paragraph 182.

182 Completing Repayments

A**Selecting Printer**

Screen PCA97000 will be displayed with the message, "Price Support procedures to print forms and reports has started. Enter printer ID (P1, P2, etc.) to be used: P?" The session printer will automatically be displayed. To use the default printer, PRESS "Enter". Otherwise, change the entry to the desired printer and PRESS "Enter". CCC-500 will print and Screen PCE50010 will be displayed. See subparagraph B.

B**Reprinting
CCC-500**

Screen PCE50010 will be displayed after CCC-500 has been printed. Screen PCE50010 displays the message, "Form CCC-500 should now be printing on P1. Do you want to reprint this form?"

- ENTER "Y" to reprint CCC-500. Screen PCE50010 will be redisplayed and CCC-500 may be reprinted again.
- ENTER "N" to not reprint CCC-500. If all lots:
 - fit on CCC-500, a series of accounting screens will be displayed to record CCC-257 data

Note: See subparagraph D.

- do **not** fit on CCC-500, Screen PCE69010 will be displayed and CCC-500-1 will be printed. See subparagraph C.
-

C**Printing
CCC-500-1**

After CCC-500 has been printed and not selected for reprinting, CCC-500-1 will be printed and Screen PCE69010 will be displayed with the message, "Form CCC-500-1 should now be printing on P?". Do you want to reprint this form?"

- ENTER "Y" to reprint CCC-500-1. Screen PCE69010 will be redisplayed and CCC-500-1 may be reprinted again.
 - ENTER "N" to not reprint CCC-500-1. A series of accounting screens will be displayed to record CCC-257 data. See subparagraph D.
-

D**Completing
CCC-257
Processing**

See 3-FI for instructions on completing CCC-257 processing. Once CCC-257 processing is complete, Menu PCA005 will be displayed.

183-192 (Reserved)

Part 6 Loan Maturity and Forfeitures

Section 1 Provisions for Loan Maturity and Forfeitures

193 County Office Notice to Processors Before Maturity

A

**Loan Maturity
Report**

County Offices shall prepare loan maturity reports through APSS, according to 12-PS, Part 14.

B

**Loan Maturity
Notification**

--County Offices shall notify each processor by letter with maturing loans:--

- of the maturity date
 - at least 45 calendar days, but not more than 60 calendar days, before the loan maturity date.
-

194 Loan Forfeiture Procedures

A**Nonrecourse
Loans**

For loans forfeited, loanmaking County Office shall:

- complete settlement according to Section 2
- send a copy of the following to KCCO at:

BULK COMMODITY DIVISION
INVENTORY MANAGEMENT BRANCH
STOP 8748
P O BOX 419205
KANSAS CITY, MO 64141-6205
Telephone 816-926-6444
FAX 816-823-1804

- CCC-677 and CCC-678
- SU-2, updated to show the quantity outstanding or forfeited by lot
- KC-227 or KC-227-A
- **not** release custody of the original CCC-678 or mark it “paid” until notified that the full loan quantity is covered by a storage agreement entered into
--between KCCO and a warehouse operator.--

KCCO will process final settlements with processor on the basis of weight/scale tickets at destination.

Processors who elect to repay sugarcane loans at principal plus interest will be eligible for a premium and discounts.

Quality premiums and discounts will be applied at the time of settlements. See Exhibit 8.

Continued on the next page

194 Loan Forfeiture Procedures (Continued)

B

In-Process Loans

*--For matured in-process loans, loanmaking County Offices shall ensure that:

- collateral is converted into raw or refined beet sugar within 1 month of loan maturity
- once the conversion is fully processed into raw cane or refined beet sugar, the processor shall transfer the sugar to CCC
- upon transferring the sugar, CCC will make a payment to the processor based on KC-227 or KC-227-A in an amount equal to the amount obtained by--* multiplying the difference between the loan rate the processor received times the quantity of sugar transferred to CCC.

If the processor forfeits the in-process sugar loan collateral but does not transfer raw or refined beet sugar of suitable quality to CCC within 1 month of maturity, CCC may charge liquidated damages according to 7 CFR Part 1435.

C

**Processor
Storage
Agreement**

--At maturity, a processor shall:--

- agree to continue storing any loan collateral sugar that is forfeited to CCC
- at all times be responsible for maintaining the quality, quantity, and condition of the CCC-owned sugar in storage
- store sugar forfeited to CCC in eligible storage for as long as CCC considers necessary. * * *

Notes: CCC shall make monthly storage payments to the processor for the period of time the forfeited sugar remains in CCC inventory.

The storage payment rate shall be as agreed to by CCC and the processor, according to the terms and conditions in CCC-678.

195-200 (Reserved)

***--Section 1.5 Processed Sugar Loan Forfeiture Transaction in APSS**

201 Completing Processed Sugar Loan Forfeiture Transactions

A APSS Loan Forfeiture Procedure

This table describes the APSS loan forfeiture procedure.

Step	Action	Result
1	On Main Menu PCA005, ENTER “6”, “Forfeit a Loan”, and PRESS “Enter”.	Screen PCA11000 will be displayed.
2	On Screen PCA11000, enter producer verification information and PRESS “Enter”.	Screen PCA12000 will be displayed.
3	On Screen PCA12000: <ul style="list-style-type: none"> ENTER “Y” or “N”, as applicable, to the question, “Is this the correct producer?” PRESS “Enter”. 	Screen PCA14000 will be displayed.
4	On Screen PCA14000: <ul style="list-style-type: none"> ENTER “Y” or “N”, as applicable, to the following questions: <ul style="list-style-type: none"> “Is this the correct loan?” “Do you wish to see bin/receipt for this loan?” PRESS “Enter”. 	Screen PFA10000 will be displayed.
5	On Screen PFA10000, select the appropriate forfeiture option: <ul style="list-style-type: none"> “1”, “Full Forfeiture at Maturity” “2”, “Partial Forfeiture at Maturity” “3”, “Full Forfeiture Called Before Maturity” “4”, “Partial Forfeiture Called Before Maturity”. <p>Note: If this loan only involves 1 receipt, a partial forfeiture is not allowed.</p> <p>PRESS “Enter”.</p>	Screen PFA11000 will be displayed.

--*

--201 Completing Processed Sugar Loan Forfeiture Transactions (Continued)*A APSS Loan Forfeiture Procedure (Continued)**

Step	Action	Result
6	<p>On Screen PFA11000, the following information will be system-displayed:</p> <ul style="list-style-type: none"> • bin/receipt number • outstanding quantity • outstanding amount • CCC storage start date • acquisition date. <p>Answer “Y” or “N”, as applicable, to the question, “Was loan forfeited at option of producer?”</p> <p>PRESS “Enter”.</p>	Screen PFA11500 will be displayed.
7	<p>On Screen PFA11500, enter the following:</p> <ul style="list-style-type: none"> • polarity degree (Exhibit 8) • sugar area number. <p>PRESS “Enter”.</p>	Screen PFA13000 will be displayed.
8	<p>On Screen PFA13000, the following information will be system-displayed:</p> <ul style="list-style-type: none"> • total charges • total credits • producer balance • premium amount • discount amount. <p>PRESS “Enter”.</p>	Screen ABK10001 will be displayed.
9	On Screen ABK10001, Accounting procedure will begin.	After Accounting procedure is completed, Main Menu PCA005 will be redisplayed.

--*

202-204 (Reserved)

***--Section 2 Processing In-Processed Loan Settlements for Converting to
Processed Sugar in APSS**

205 Overview

A Introduction

The automated process for converting in-process sugar to processed sugar is completed by using the loan settlement option in APSS.

This section provides instructions for processing in-process loan settlements through APSS and is the automated process for converting in-process sugar to processed sugar.

B Manual Settlements for Converting In-Processed Sugar

Loan settlements for converting in-process sugar cannot be processed manually when the computer is not in operation. Process the settlement for converting in-process sugar when the computer is operational.

If the settlement for converting in-process sugar is being re-entered after a correction, change the session date to the date the settlement for converting in-process sugar was originally processed.

C IRS Reporting

Information processed during settlements for converting in-process sugar will be written to--* the IRS file to be used at the end of the calendar year.

--206 In-Process Sugar Loan Settlement for Converting to Processed Sugar Transactions*A APSS Settlement for In-Process Conversion Procedure**

Before beginning the settlement process for converting in-process sugar:

- have the loan folder at the terminal
- complete all pending actions on the loan before processing the settlement for converting in-process sugar.--*

Step	Action	Result
1	On Main Menu PCA005, ENTER “5”, “Settle a Loan”, and PRESS “Enter”.	Screen PCA11000 will be displayed.
2	On Screen PCA11000, enter producer verification information and PRESS “Enter”.	Screen PCA12000 will be displayed.
3	On Screen PCA12000: <ul style="list-style-type: none"> • ENTER “Y” or “N”, as applicable, to the question, “Is this the correct producer?” • PRESS “Enter”. 	Screen PCA14000 will be displayed.
4	On Screen PCA14000: <ul style="list-style-type: none"> • ENTER “Y” or “N”, as applicable, to the following questions: <ul style="list-style-type: none"> • “Is this the correct loan?” • “Do you wish to see bin/receipt for this loan?” • PRESS “Enter”. 	Screen PSA05000 will be displayed.
5	On Screen PSA05000: <ul style="list-style-type: none"> • ENTER “Y” or “N”, as applicable, to the question, “Has this in-process sugar loan quantity been converted to processed sugar?” <p>Note: Loan quantity has to be converted to processed sugar before settlement process will continue.</p> <ul style="list-style-type: none"> • PRESS “Enter”. 	If: <ul style="list-style-type: none"> • “Yes”, Screen PSA10000 will be displayed • “No”, Main Menu PCA005 will be redisplayed.

***--206 In-Process Sugar Loan Settlement for Converting to Processed Sugar Transactions
(Continued)**

A APSS Settlement for Converting In-Process Sugar Procedure (Continued)--*

Step	Action	Result
6	<p>On Screen PSA10000:</p> <ul style="list-style-type: none"> the following information will be system-displayed: <ul style="list-style-type: none"> amount to be settled quantity for delivery enter the final date for delivery in “MMDDYY” format PRESS “Enter”. 	Screen PSA10005 will be displayed.
7	<p>On Screen PSA10005:</p> <ul style="list-style-type: none"> select delivery option “1”, “Warehouse Storage” PRESS “Enter”. 	Screen PSA11000 will be displayed.
8	<p>On Screen PSA11000:</p> <ul style="list-style-type: none"> enter the following: <ul style="list-style-type: none"> warehouse receipt/lot number and KC-227 number, as applicable *--moisture when received, if excessive (leave blank) date commodity deposited in “MMDDYY” format (date of conversion) date receipt issued in “MMDDYY” format (date on KC-227) gross pounds net weight (bu., cwt., lb.) warehouse code where delivered polarity degree <p>Note: When entering an In-Process Beet Sugar settlement for converting to processed sugar, the user will not be prompted to enter the polarity degree. The polarity degree only applies to In-Process Cane Sugar settlements for converting to processed sugar.--*</p> PRESS “Enter”. 	Screen PSA02501 will be displayed.
9	<p>On Screen PSA02501:</p> <ul style="list-style-type: none"> enter the area number in the “Sugar Areas” field PRESS “Enter”. 	Screen PSA21000 will be displayed.

***--206 In-Process Sugar Loan Settlement for Converting to Processed Sugar Transactions
(Continued)**

A APSS Settlement for In-Process Conversion Procedure (Continued)--*

Step	Action	Result
10	<p>On Screen PSA21000:</p> <ul style="list-style-type: none"> State and county codes for determination of base settlement rate will be displayed PRESS "Enter". 	Screen PSA21000 will be redisplayed.
11	<p>On Screen PSA21000:</p> <ul style="list-style-type: none"> the calculated settlement rate will be system-displayed enter the special rate if the calculated rate shown is not acceptable PRESS "Enter". 	Screen PSA21000 will be redisplayed.
12	<p>On Screen PSA21000:</p> <ul style="list-style-type: none"> enter the following: <ul style="list-style-type: none"> storage start date in "MMDDYY" format date the receipt is received in the County Office *--received (R/B/A or T) (leave blank)--* ENTER "Y" or "N", as applicable, to the following questions: <ul style="list-style-type: none"> Are Storage Charges for early delivery applicable? Is storage credit over 60 days applicable? If loan was called, enter required settlement date? (mmddy) Do you have additional receipts/lots to process? PRESS "Enter". 	Screen PSA24000 will be displayed.

***--206 In-Process Sugar Loan Settlement for Converting to Processed Sugar Transactions
(Continued)**

A APSS Settlement for In-Process Conversion Procedure (Continued)--*

Step	Action	Result
13	<p>On Screen PSA24000:</p> <ul style="list-style-type: none"> enter the following as applicable: <p style="padding-left: 40px;">* * *</p> <ul style="list-style-type: none"> weighing grading other charges <ul style="list-style-type: none"> PRESS "Enter". 	<p>If:</p> <ul style="list-style-type: none"> producer owes CCC, Screen PSA25000 will be displayed amount is owed the producer, Screen PSA25005 will be displayed.
14	<p>On Screen PSA25000, the producer owes CCC. Print this screen and use it to create a demand letter. PRESS "Enter".</p> <p>On Screen PSA25005, the transaction balance will be system-displayed. This amount will be forwarded to Accounting to be disbursed according to the producer shares applicable to this loan. Answer "Y" or "N", as applicable, to the question, "Do You wish to complete this process?" PRESS "Enter".</p>	Screen PCA97000 will be displayed.
15	<p>On Screen PCA97000:</p> <ul style="list-style-type: none"> enter the following information: <ul style="list-style-type: none"> printer ID to print forms and reports number of copies to be printed <ul style="list-style-type: none"> PRESS "Enter". 	Screen PCE60010 will be displayed.
16	<p>On Screen PCE60010, CCC-692 will be printed.</p> <p>ENTER "Y or "N" to the question, "Do you wish to reprint this form?", and PRESS "Enter".</p>	Screen ABK10001 will be displayed.
17	Accounting-Checkwriting procedure begins.	After Accounting-Checkwriting procedure is completed, Main Menu PCA005 will be redisplayed.

207-216 (Reserved)

Part 7 Processor Payments

Section 1 Processor Payments to Producers

217 Processor Payment Requirements to Producers

A

Basic Processor Payment Requirements

Processors who obtain nonrecourse loans must certify on SU-2 that they have paid *--or will pay at least the minimum payment level. Sugar beet and sugarcane processors who receive CCC loans are required to make minimum payments for all sugar beets and sugarcane received from growers. Sugar beet growers minimum payment must not exceed the amount specified in the growers processor contract. Processors **must** certify on SU-2 that they have paid or will pay at least the minimum payment level.

Note: See Exhibit 7 for information about minimum level payment policy for sugarcane or sugar beet.--*

B

Penalty for Processor Who Fails to Pay Producer

If a processor does not pay all eligible producers at least the minimum payment level specified by CCC:

- CCC shall immediately call all of the processor's outstanding sugar loans
- *--processor shall be ineligible for all future CCC loans during the subsequent crop year.--*

* * *

C

Producers Eligible for Payment

Eligible producers who deliver sugar beets or sugarcane to a processor who:

- does **not** participate in the Sugar Loan Program will **not** be guaranteed the minimum payment level
 - participates in the Sugar Loan Program **shall** receive the minimum payment level when nonrecourse loans are in effect.
-

218-227 (Reserved)

Section 2 Payment Requirements to Producers of Sugar Beets

228 Minimum Payment Level for Sugar Beets

A

Basic Policy

Processors obtaining nonrecourse loans are required to pay eligible producers of *--sugar beets at least the established minimum payment level must not exceed the amount specified in the grower processor contract.--*

* * *

B

Processor Incentives and Deductions

* * *

Processor incentives and deductions shall be treated as follows:

- additional allowances, incentives, or reimbursements to producers, as provided in a producer-processor contract, are considered an additional benefit or premium and shall **not** be considered part of minimum level payments
 - applicable costs may be deducted from the payment by the processor, if agreed upon and provided for in a written grower-processor contract or addendum to this contract.
-

* * *

229-238 (Reserved)

Section 3 Spot Check Procedures to Determine Payment to Producers

239 Determining Payment to Producers

A

**Spot Check
Procedures**

Loanmaking offices shall follow this table to spot-check processors for minimum level payment compliance.

Step	Action
1	<p>Determine from the processor's records when the final settlement is made with producers. For:</p> <ul style="list-style-type: none"> • sugar beets, settlement is generally made within 30 calendar days after the end of the processor's marketing year • sugarcane, the time of settlement varies, but should be consistent with what has been normal in past years.
2	<p>Upon final settlement, randomly select for spot check 15 percent of the producers who have delivered to each processor. Verify for:</p> <ul style="list-style-type: none"> • processor records that the selected producers have been paid at least the applicable minimum payment level for the region • producers who deliver higher or lower than average beets or cane sugar to a processor, that producers were paid according to the terms and conditions of the marketing contract, if any. <p>Note: See Exhibit 7 for minimum payment levels.</p>
3	<p>Issue verification letter to producers to verify processor's records.</p> <p>Note: See suggested letter to verify processor's records in subparagraph B.</p>

Continued on the next page

239 Determining Payment to Producers (Continued)

A
Spot Check
Procedures
(Continued)

Step	Action
4	After 30 calendar days, consider no response to be verification of the processor's records.
5	<p>Review with the processor any cases in which noncompliance is indicated.</p> <ul style="list-style-type: none"> • County Offices conducting the spot checks shall send to State Office a summary of noncompliance cases, including the percentage of spot checks involved. • State Offices shall send County Offices' summaries and summary of noncompliance cases they spot check, including percentage of checks involved, to PSD, through the Area Office, for review and further instructions. <p>Note: Report individual cases only if compliance is not achieved.</p>
6	<p>Keep, in the processor's loan folder, documentary record of each spot check, including:</p> <ul style="list-style-type: none"> • date of spot check • name of person doing the check.

Continued on the next page

239 Determining Payment to Producers (Continued)

B

Letter

This is an example of a letter to producers to verify processor's records.

*--

[Type on County Office letterhead]

[Date]

A. B. Producer
1234 Hendricks Street
Swan Lake, ID 87654-1234

Dear Producer:

Eligibility for sugar loans from the Department of Agriculture requires a sugar processor obtaining nonrecourse loans to pay producers at least a minimum payment level for sugar beets and sugarcane of average quality. For greater or lesser than average quality sugar beets, producers must be paid according to an agreed upon marketing contract between processor and producer. For sugar cane, producers must be paid according the CCC-established rates.

Applicable costs may be deducted from the minimum payment by the processor if agreed upon and provided for in a written producer/processor contractual agreement or addendum to such agreement.

Processors that are cooperatively owned by producers may legally assess their members a membership fee by deducting from the minimum payment level.

Nonmembers must receive at least the minimum payment level.

_____(processor)____ has recorded that you were paid \$_____ per ton for
_____(sugar beets or sugarcane)____ that was purchased from you.

Please verify this information and if not correct, contact the County Office listed above. If the information is correct, please disregard this letter.

Your assistance is appreciated.

Sincerely,

County Executive Director

--*

240-249 (Reserved)

Part 8 Correcting APSS Transactions**250 General Information**

A**Introduction**

Use the correction process when a loan transaction has been recorded and updated in the price support master file, but later discovered to be incorrect.

The correction process will reverse or delete transactions that are incorrect. The same transaction can be re-entered with the correct information, when applicable.

B**Getting Started**

Before beginning any type of correction processing, the complete loan folder should be at the terminal for reference purposes.

251 Accessing Correction Functions

A**Initial Entry**

Access Menu PCA005 according to paragraph 21.

On Menu PCA005, ENTER "7" to initiate the correction process and PRESS "Enter". Screen PCA11000 will be displayed.

B**Processor and
Loan Data**

Complete the processor and loan information according to paragraph 22. Screen PXA00005 will be displayed.

252 Selecting Transaction

**A
Transaction
History**

After the loan is identified, Screen PXA00005 will be displayed with the following:

- processor's name
- crop year
- loan number
- commodity
- transaction types, in order of occurrence
- transaction date
- transaction time
- diskette date, if applicable.

Screen PXA00005 will display all of the transactions that have taken place on the selected loan. Transactions are listed in sequential order as they occurred. After identifying the transaction that is to be reversed, ENTER "Y" in front of the transaction and PRESS "Enter" to continue.

Notes: Only one "Y" is allowed. All transactions listed after the selected transaction will also be reversed during the correction process.

If a diskette date is present for the transaction being reversed, see paragraph 253 for using history diskettes before proceeding.

Continued on the next page

252 Selecting Transaction (Continued)

**B
Loan
Reconstruction
Process**

After pressing "Enter" on Screen PXA00005, Screen PXA10000 will be displayed with the following:

- a prompt for the history diskette, if a diskette date was present for any transaction involved in the correction

Note: See paragraph 253 for using history diskettes.

- target date of the transaction to be corrected
- a series of messages indicating reversal is in progress for the transaction and any subsequent transactions.

After a short time, the message, "Verify listing to continue error correction process", will be displayed. Before continuing:

- review the report entitled, "Correction Posting Check-Off List", that was automatically printed on the default printer
 - verify that the entries shown on the report are to be reversed
 - if report is correct, PRESS "Enter" and continue processing according to paragraph:
 - 254, if CCC-184's were involved in the correction
 - 255, if repayments were involved in the correction
 - if report is incorrect, PRESS "Cmd7" to end processing.
-

***--253 Using History Tapes**

A**Types of History Tapes**

Price support start-of-day processing periodically removes loan data from the history files. The removed data is saved onto the 2 types of tapes listed in the following table.

Type	Purpose
APK205	Used to correct loans.
APK208	Stored as off-site backups to APK205 tapes.

B**APK205 Tapes**

If correcting 1 or more transactions, APK205 tapes may be needed to restore information necessary for the correction.

If a tape is needed, the "Tape Date" field on Screen PXA00005 will display the date of APK205 tapes containing the loan information needed for the correction. Insert tapes into the tape drive, in sequential order, when prompted. After the transaction is restored from the tapes, the correction process will continue.

Note: Depending on the transaction being reversed, other APK205 tapes may be needed for subsequent transactions that also will be reversed during the correction process.

C**APK208 Tapes**

The correction process may reject damaged APK205 tapes and display an error message. If an error message is received, APK208 tapes can be copied to obtain another set of APK205 tapes.

Follow 12-PS, Part 17 for information on converting the APK208 tapes to APK205 tapes.--*

254 Corrections Involving Payables

A**Accounting
Interface**

After verifying the correction report and pressing "Enter" on Screen PXA10000 according to subparagraph 252 B, Screen ANK52010 will be displayed with the check or checks issued for the loan being corrected. Screen ANK52010 will list the program code, amount, check number, issue date, and loan number with the question, "Is the check to be canceled available?"

B**Loan To Be
Re-Entered**

If the loan will be re-entered, ENTER "Y". The check will be canceled without creating a receivable in accounting. Re-enter the loan as a manual action according to Part 4, Section 6. When recording check data in accounting, enter the check number of the original check. This re-issues the same check number on the new loan. See 67-FI for additional information.

C**Loan Not To Be
Re-Entered**

If the loan will not be re-entered, ENTER "N". The check will be canceled and screens will be displayed to record receivable information. Complete receivable processing according to 67-FI.

D**Receivable
Created in Error**

If "N" was inadvertently entered to the question, "Is the check to be canceled available?" on Screen ANK52010 when the loan will actually be re-entered, a receivable will be created that must be repaid. When re-entering the loan, the check must be made payable to CCC. The check must then be applied to the receivable as a repayment. See 67-FI for more information.

Note: The receivable repayment date must be the same as the receivable creation date to prevent interest from being assessed.

255 Corrections Involving CCC-257's

**A
Repayment
Corrections**

When correcting a repayment transaction, amounts deposited on CCC-257 during the repayment will be reversed. The correction process will reverse only the program or "PGM" record associated with the repayment on CCC-257.

The remittance or "RMT" record will remain on CCC-257 and cause CCC-257 to be out-of-balance until the:

- repayment is re-entered
 - "RMT" record is removed from CCC-257.
-

**B
Handling
Corrections**

See 3-FI, Part 3 for instructions on handling CCC-257 corrections.

256 Completing Correction Process

**A
Completing
Correction**

When the correction process is completed, applicable CCC-184's canceled or receivables established, and files updated, Menu PCA005 will be displayed. See subparagraph B for re-entry instructions, if necessary.

File the Correction Posting Check-Off List in the loan folder for future reference.

**B
Re-Entry
References**

As explained in this part, placing "Y" next to a transaction in the correction process will reverse that transaction and all subsequent transactions. When applicable, the incorrect transaction and all subsequent transactions must be re-entered.

If re-entry is necessary, follow this table to find the instructions for re-entering the applicable transaction.

IF re-entering a...	THEN see...
loanmaking transaction	Part 4, Section 6.
repayment	Part 5, Section 5.
settlement	Part 6, Section 2.

Reports, Forms, Abbreviations, and Redelegations of Authority

Reports

None

Forms

This table lists all forms referenced in this handbook.

Number	Title	Display Reference	Reference
AD-1026	Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification		4, 62
CCC-10	Representations for Commodity Credit Corporation or Farm Service Agency Loans and Authorization to File a Financing Statement and Related Documents		49
CCC-184	CCC Check		1, 49, 252, 256
CCC-257	Schedule of Deposit		182, 255
CCC-258	Wire Transfer of Funds		145
CCC-500	Loan Repayment Receipt		179.5, 180-182
CCC-500-1	Loan Repayment Receipt Continuation Sheet		182
CCC-601	Commodity Credit Corporation Note and Security Agreement Terms and Conditions		2
CCC-674	Certification for Contracts, Grants, Loans, and Cooperative Agreements		5
CCC-677	Farm Storage Note and Security Agreement		75, 128, 129, 134, 156, 194
CCC-677A	Sugar Loan Addendum	Ex. 4	2, 128
CCC-678	Warehouse Storage Note and Security Agreement		2, 75, 129, 134, 194
CCC-679	Lien Waiver		48
CCC-692	Settlement Statement		206

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
FSA-578	Report of Acreage		4, 62
KC-227	Raw Sugar Acquisition Report and Invoice for Related Charges	41	38, 74, 129, 134, 194, 206
KC-227-A	Refined Sugar Acquisition Report and Invoice for Related Charges	41	38, 129, 134, 194
SF-LLL	Disclosure of Lobbying Activities		5
SF-LLL-A	Disclosure of Lobbying Activities Continuation Sheet		5
SU-2	Application for Nonrecourse Sugar Loan	75	48, 74, 86, 194, 217
UCC-1	Financing Statement		48, 49, 134

Abbreviations Not Listed in 1-CM

None

Redelegations of Authority

None

Definitions of Terms Used in This Handbook

Average Quality *--for 2003 Crop Sugarcane

For 2003 crop sugarcane, average quality sugarcane means, for:

- **Florida**, sugarcane containing **14.9** percent sucrose in normal juice
 - **Louisiana**, sugarcane that yields **208.86** pounds of raw sugar per gross ton
 - **Texas**, sugarcane that yields **185.04** pounds of raw sugar per gross ton
 - **Hawaii**, sugarcane that yields **255.26** pounds of raw sugar per net ton
 - **Puerto Rico**, sugarcane that yields **85.80** pounds of raw sugar per gross ton.--*
-

Crop Year

Crop year means the period October 1 through September 30 of the applicable crop year.

Note: Sugar that is processed from desugaring molasses shall be considered as having been processed in the crop year during which the desugaring took place.

Continued on the next page

Definitions of Terms Used in This Handbook (Continued)

Eligible Producer	<p>*--<u>Eligible producer</u> is the owner of a portion or all of the sugar beets, sugarcane, or in-process sugar including share rent landowners, at both the time of harvest--* and the time of delivery to the processor. Producers determined to be ineligible because of any of the following regulations are ineligible producers:</p> <ul style="list-style-type: none"> • HELC and WC provisions in 7 CFR Part 12 • controlling substances violations according to 7 CFR Part 718. <p>* * *</p>
Initial Loans	<p><u>Initial loans</u> are loans disbursed from October 1 through September 30 of the applicable crop year.</p>
*--In-Process Loans	<p><u>In-process loans</u> are nonrecourse loans made available to processors of a crop of domestically grown sugarcane or sugar beets for in-process sugars derived from the crop. The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar. In-process loans mature on the last day of the 9th month after the month the loan was disbursed.</p>
In-process Sugar	<p><u>In-process sugar</u> means the intermediate sugar containing products as CCC determines produced in the processing of domestic sugar beets and sugarcane. It does not include raw sugar, liquid sugar, inverted sugar, inverted syrup, or other finished products that are otherwise eligible for a loan.--*</p>
Nonrecourse Loan	<p><u>Nonrecourse loan</u> is a loan for which the eligible sugar offered as loan collateral may be delivered or forfeited to CCC, at loan maturity, in satisfaction of the loan indebtedness.</p>
Normal Juice	<p><u>Normal juice</u> is the undiluted juice extractable from sugarcane by a mill tandem, if no maceration water is added during the milling process.</p>
Processor	<p><u>Processor</u> is a person or legal entity that commercially processes sugar beets into refined sugar or processes sugarcane into raw sugar, cane syrup, or edible molasses.</p>

Continued on the next page

Definitions of Terms Used in This Handbook (Continued)

Raw Value

The raw value of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing 96 degrees by the polariscope.

The principal grades and types of sugar and liquid sugar are translated into raw value in the following manner for:

- **direct-consumption sugar**, derived from **sugar beets** and testing 92 or more sugar degrees by the polariscope, by multiplying the number of pounds times 1.07

* * *

- **sugar**, derived from **sugarcane** and testing more than 92 sugar degrees by the polariscope, by multiplying the number of pounds times the figure obtained by adding to 0.93 the result of multiplying 0.0175 times the number of degrees and fractions of a degree of polarization above 92 degrees
 - **sugar** and **liquid sugar**, testing less than 92 sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" by 0.972.
-

* * *

Supplemental Loan

Supplemental loan is a loan disbursed between October 1 and October 31, which was originally made in July, August, or September, and is repledged during the current loan year, not to exceed 9 months minus the number of whole months that the initial loan was in effect.

* * *

***--Example of CCC-677A**

This is an example of CCC-677A.

PAGE 1 OF 2 READ THE ENTIRE INSTRUMENT BEFORE SIGNING (See CCC-601 for Privacy Act Statement) Form Approved - OMB No. 0560-0087		
CCC-677A (10-31-02)	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation	No further monies or other benefits may be paid out NOTE: under this program unless this addendum is completed and filed as required by existing law and regula- tions (15 U.S.C. 714 b and c).
SUGAR LOAN ADDENDUM		
LOAN NUMBER	STATE AND COUNTY CODE	COUNTY OFFICE NAME AND ADDRESS
<p>The terms and conditions of Forms CCC-677, CCC-678 and CCC-601, as amended as set forth below, shall be applicable to the above identified loan. This addendum shall be a part of Form CCC-677. By signing this addendum, the borrower makes the representations and warranties and agrees to the terms and conditions specified in Forms CCC-677, CCC-678 and CCC-601, as amended by this instrument. Forms CCC-677, CCC-678 and CCC-601 are amended as follows:</p> <p>A General:</p> <ol style="list-style-type: none"> 1. The word "producer" shall mean "processor" whenever used. 2. The term "County Committee" or "County FSA Committee" shall mean "State FSA Committee or County FSA Committee designated by the State FSA Committee to make sugar loans" whenever used. 3. The term "Warehouse storage" shall mean "CCC approved Warehouse storage" whenever used. 4. The maturity date of the loan will be the last day of the ninth month following the month in which such loan proceeds are disbursed but no later than September 30 following disbursement of the loan. For a supplemental loan the maturity date will be nine months minus the number of whole months that the initial loan was in effect. A processor may repledge sugar as collateral for supplemental loans only for loans made during July, August or September. The supplemental loans must be requested during the following October. CCC may at any time accelerate the maturity date of this loan upon demand of payment. <p>B Specific changes in the following sections of Form CCC-601:</p> <ol style="list-style-type: none"> 1. Section 1 is revised as follows: <ol style="list-style-type: none"> (b) This subsection shall not be applicable to sugar loans. (f) Sugar Loan Types. <ol style="list-style-type: none"> (i) Nonrecourse loans are loans made no earlier than the beginning of the fiscal year and matures at the end of nine months beginning the first day of the first month following the day of disbursement. But, no later than September 30th. (ii) Supplemental loans are loans made on collateral that was repledged only for loans made in July, August or September. The supplemental loans must be requested between October 1 and October 31. For supplemental loan the maturity date will be nine months minus the number of whole months that the initial loan was in effect. (iii) In-process loans are nonrecourse loans made available to the processors of a crop of domestically grown sugarcane or sugar beets for in-process sugars derived from the crop. The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar. In-process loans mature on the last day of the ninth month following the month the loan was disbursed. (iv) Upon final settlement of the loan, the processor shall ensure that the minimum grower payment as required by 7 CFR 1435.106(c) has been paid to all eligible producers who have delivered sugar beet or sugarcane to such processor. Failure to make minimum grower payments will cause the processor to be ineligible for all future loans until the delinquent minimum grower payments are paid in full. 		

--*

*--Example of CCC-677A (Continued)

PAGE 2 OF 2

2. Section 4 is revised by adding at the end thereof the following:

A processor may at any time before loan maturity, redeem all or any part of the loan collateral by paying CCC the applicable principal and interest. Furthermore, the processor:

- (i) Agrees to convert the in-process sugar within 30 days, if this conversion does not take place penalties will be assessed.
- (ii) Agrees to share the proceeds with growers when sugar pledged as collateral for a CCC loan is forfeited, in accordance with the contracts between the processor and the grower.

3. Section 7 is revised by adding the following subsections:

- (g) **Storage of Sugar.** The sugar pledged as collateral may remain in eligible CCC approved warehouses under the processor's control for such time after maturity of the loan as deemed necessary by CCC. Charges payable by CCC for handling, storing, or servicing of sugar after maturity of loan will be as follows:

- (i) Receiving services performed prior to CCC ownership will not be paid.
- (ii) The storage payment rate shall be as agreed to by CCC and the processor, but, in no event, shall exceed \$0.08 per hundredweight, per month for raw Cane sugar and \$0.10 per hundredweight, per month for refined Beet sugar.
- (iii) Loadout expenses, including charges for weighing and bag-checking, if applicable, shall be for the account of the processor.

- (h) **Transfer of Sugar Instore.** If CCC transfers title to its sugar instore, the handling, storage, and servicing rates applicable to the transferee with respect to such sugar shall not exceed CCC's rates in effect at the time of title transfer until the earlier of:

- (i) 60 days, or
- (ii) Title to the sugar is transferred by the transferee to another party, or
- (iii) The sugar is loaded out of the storage structure by the transferee, or
- (iv) The sugar is loaded out if the transferee, in writing, orders the sugar loaded out for immediate shipment, within 30 days after the date title has transferred as specified by CCC.

- (i) **Loadout of Sugar.** If for any reason sugar shipments cannot be made as instructed, the processor shall promptly notify CCC as soon as it is apparent the shipping schedule cannot be met. Failure of the processor to ship in accordance with such instructions will cause serious and substantial damage to CCC because of its urgent need for prompt delivery. In addition to the liquidated damages that may be assessed in accordance with section 7 (f), the processor shall pay to CCC, as compensation and not as a penalty, liquidated damages at the rate of \$0.10 per 100 pounds net per day, in addition to loss of daily storage payment. The parties mutually agree that in view of the difficulty of determining exact damages which would be incurred by CCC, the liquidated damages specified are a reasonable estimate of the damages which would be suffered by CCC as a result of the processor's failure to meet the shipping schedule. If delays were caused by reasons beyond the control and without the fault of the processor, the processor shall promptly furnish documentary evidence of the cause(s) which resulted in late shipment. If CCC determines that such causes were beyond the processor's control, liquidated damages will not be assessed.

3. Section 10 is revised to add the following:

- (e) In-process sugar serving as collateral must be converted into raw Cane sugar or refined Beet sugar within 30 days of loan maturity. Once the conversion is fully processed into raw Cane sugar or refined Beet sugar the processor shall transfer the sugar to Commodity Credit Corporation. Upon transfer of the sugar, CCC will make a payment to the processor in an amount equal to the amount obtained by multiplying the difference between the loan rate the processor received by the quantity of sugar transferred to CCC. If processor forfeits the in-process sugar loan collateral but does not transfer raw Cane sugar or refined Beet sugar of suitable quality to CCC within 30 days of loan maturity, CCC may charge liquidated damages.

Processors who do not forfeit in-process sugar may repay the loan, further process the in-process sugars into raw Cane sugar or refined Beet sugar, and may obtain a loan for the raw Cane sugar or refined Beet sugar.

Signature of Processor

Date

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USAs TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-w, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

--*

2002 Through 2007 Crop National Loan Rates

A National Average Sugar Loan Rates

This table provides the national (weighted average) loan rates for the 2002 through 2007 crops of domestically grown sugar beets and sugarcane.

Commodity	Cents per Pound
Beet Sugar, Refined	22.90
Cane Sugar, Raw Value	18.00

*--2003 Crop Regional Loan Rates

A Regional Beet Sugar Loan Rates

The regional loan rates have been adjusted to reflect the processing location of sugar offered as collateral for price support loans. This table provides the regional 2003 crop loan rates for refined beet sugar.

Area/ Region Code	States	Loan Rate Cents per Pound
1	Michigan Ohio	23.80
2	Minnesota eastern half of North Dakota	22.96
3	northeastern quarter of Colorado Nebraska southeastern quarter of Wyoming	23.32
4	Montana northwestern quarter of Wyoming western half of North Dakota	22.42
5	Idaho - east of the line formed by the eastern boundary of Owyhee County and northward of this boundary Idaho - west of the line formed by the eastern boundary of Owyhee County and northward of this boundary Oregon Washington Utah	21.99
6	California	23.76--*

***--2003 Crop Regional Loan Rates (Continued)**

B 2003 Regional Cane Sugar Loan Rates

This table provides 2003 crop regional loan rates for cane sugar, raw value.--*

Area/ Region Code	Area	Loan Rate Cents per Pound, Raw Value
1	Florida	17.73
2	Hawaii	17.33
3	Louisiana	18.44
4	Texas	*--18.04
5	Puerto Rico	18.00--*
6	Sugar processed in Hawaii or Puerto Rico, but placed under loan on the United States mainland	18.00

***--2003 Crop Regional Loan Rates (Continued)**

C Regional In-Processed Beet Sugar Loan Rates

This table provides the regional 2003 crop (FY 2004) loan rates for in-processed beet sugar, which is 80 percent of the applicable loan rate.

Region	Loan Rate Cents per Pound
Michigan Ohio	19.04
Minnesota eastern half of North Dakota	18.37
northeastern quarter of Colorado Nebraska southeastern quarter of Wyoming	18.66
Montana northwestern quarter of Wyoming western half of North Dakota	17.94
Idaho Oregon Washington	17.59
California	19.01

D Regional In-Processed Cane Sugar Loan Rates

This table provides the regional 2003 crop (FY 2004) loan rates for in-processed cane sugar, raw value, which is 80 percent of the applicable loan rate.

Region	Loan Rate Cents per Pound, Raw Value
Florida	14.18
Hawaii	13.86
Louisiana	14.75
Texas	14.43
Puerto Rico	14.40
Sugar processed in Hawaii or Puerto Rico, but placed under loan on the United States mainland	14.40

***--2003 Crop Minimum Price Support Payment Levels for Sugar Beets and Sugarcane**

A Sugarcane Minimum Price Support Levels

This table provides the 2003 crop regional minimum price support levels per net or gross ton for average quality sugarcane.

Area	Level
Florida	\$26.18 per net ton
Hawaii	\$23.58 per net ton
Louisiana	\$24.07 per gross ton
Texas	\$21.23 per gross ton--*
Puerto Rico	\$14.94 per gross ton

Note: Adjust the prices in this exhibit for sugarcane of greater or lesser than average quality under the method agreed upon by the producer and the processor according to the terms and conditions of the producer-processor marketing contract.

B Sugar Beet Minimum Payment

Sugar beet grower minimum payments must not exceed the amount specified in the grower processor contract.

Bulk Raw Cane Sugar Polarity Premium and Discount Schedule

This table provides a schedule for premiums and discounts adjusted for polarity degree.

*--

Premiums		Discounts	
Polarity Degree	Adjustment (Cents/Lb.)	Polarity Degree	Adjustment (Cents/Lb.)
99.0+	0.711	95.9	-0.099
98.9	0.6894	95.8	-0.198
98.8	0.6678	95.7	-0.297
98.7	0.6462	95.6	-0.396
98.6	0.6246	95.5	-0.495
98.5	0.603	95.4	-0.594
98.4	0.5814	95.3	-0.693
98.3	0.5598	95.2	-0.792
98.2	0.5382	95.1	-0.891
98.1	0.5166	95.0	-0.99
98.0	0.495	94.9	-1.0395
97.9	0.4545	94.8	-1.089
97.8	0.414	94.7	-1.1385
97.7	0.3735	94.6	-1.188
97.6	0.333	94.5	-1.2375
97.5	0.2925	94.4	-1.287
97.4	0.252	94.3	-1.3365
97.3	0.2115	94.2	-1.386
97.2	0.171	94.1	-1.4355
97.1	0.1305	94.0	-1.485

Note: Premium and discount schedule is not crop year specific.--*

Bulk Raw Cane Sugar Polarity Premium and Discount Schedule (Continued)

*--

Premiums		Discounts	
Polarity Degree	Adjustment (Cents/Lb.)	Polarity Degree	Adjustment (Cents/Lb.)
97.0	0.09		
96.9	0.081		
96.8	0.072		
96.7	0.063		
96.6	0.054		
96.5	0.045		
96.4	0.036		
96.3	0.027		
96.2	0.018		
96.1	0.009		
96.0	0		

--*